

THE DEPARTMENT OF STATE

MAR 9 '46

BULLETIN

VOL. XIV, NO. 345

FEBRUARY 10, 1946

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U.S.—U.K. Financial Agreement

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By UNDER SECRETARY OF STATE ACHESON, UNDER SECRETARY OF
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PUBLICATION 2467

February 10, 1946

For sale by the Superintendent of Documents
U. S. Government Printing Office
Washington 25, D. C.

SUBSCRIPTION:
52 issues, \$3.50; single copy, 10 cents
Special offer: 13 weeks for \$1.00
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The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Research and Publication, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.

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The President Transmits U. S.-U. K. Financial Agreement to Congress

To the Congress of the United States:

The establishment of a permanent state of peace and prosperity is not a simple matter. The creation and maintenance of conditions under which nations can be prosperous and remain peaceful involves a series of highly complex and difficult problems. If we are to reach this greatly desired goal, we must be prepared at all times to face the issues that will constantly present themselves and we must be determined to solve them. If peace is to be permanent, we must never relax our efforts to make it so.

In his message to the Congress recommending the approval of the Bretton Woods Agreements, President Roosevelt called these proposals "the cornerstone for international economic cooperation." By enacting the Bretton Woods Agreements Act, the 79th Congress laid this cornerstone for the construction of an orderly economic peace. The Congress took many other steps during the same session which enlarged the structure, and its achievements in this field are just cause for pride. Among the most important of these other steps were the ratification and implementation of the treaty establishing the United Nations Organization, the enactment of legislation to support the United Nations Food and Agricultural Organization and to carry on the operations of the United Nations Relief and Rehabilitation Administration, the extension in a broader form of the Reciprocal Trade Agreements Act, and the expansion of the Export-Import Bank. These steps will take us a long way on the road to world-wide security and prosperity. They should not make us blind, however, to the job that has not been done—to the work that lies ahead.

In approving the establishment of the International Monetary Fund and the International Bank for Reconstruction and Development, the Congress specifically expressed its belief that additional measures for international economic cooperation would be necessary to render most effective

the operations of the Fund and Bank. In the Bretton Woods Agreements Act the Congress declared it to be the policy of the United States to seek to bring about further international agreement and cooperation along these lines.

The International Monetary Fund Agreement was drafted and the Bretton Woods Agreements Act was enacted during the war. Both recognized that the financial condition of some countries resulting from the war might make it impossible for them to apply at once the fundamental rule of non-discrimination in their monetary and financial transactions. Therefore, provision was made for a transition period which might postpone as long as five years the complete application of this fundamental rule.

Now in time of peace as we rapidly proceed with the organization of the International Monetary Fund we find that the fears which were responsible for this period of grace are verified by the facts. The most important of these facts is that the United Kingdom as a result of the war must continue for a long period many of its emergency wartime financial controls unless it obtains additional working capital. It is apparent that, in the case of a principal member of the International Monetary Fund, we can ill afford to wait for the period permitted by the Bretton Woods Agreements for the removal of these hindrances to the financial and commercial relationships between nations. Now is the time to establish postwar monetary and financial policies of the United Nations. Now is the time to take action to enable the United Kingdom to move with us toward the prompt abolition of these restrictions.

For these reasons, the next order of international business before the Congress should be our financial relations with the United Kingdom. The problems involved, which are severe but not insoluble, are direct consequences of the war.

The text of this message was released to the press by the White House on Jan. 30.

They are matters of great urgency and I believe that the Financial Agreement which I am transmitting herewith furnishes a real basis for their solution.¹ It is my earnest hope that the Congress will implement the Financial Agreement as speedily as is consistent with careful legislative consideration.

It is not too much to say that the Agreement now transmitted will set the course of American and British economic relations for many years to come. In so doing it will have a decisive influence on the international trade of the whole world. Those who represented the United States in these discussions and those who represented the United Kingdom were fully aware of the fundamental nature of the problems before them. After long and careful consideration they agreed upon the arrangements which in my opinion will provide a solid foundation for the successful conduct of our economic relations with each other and with the world.

The Financial Agreement will by its terms come into operation only after the Congress has made available the funds necessary to extend to the United Kingdom the line of credit of \$3,750,000,000 in accordance with the terms set forth in the Agreement. Britain needs this credit and she needs it now. It will assist her to meet the expected deficit in her balance of payments during the next six years. It will enable her to buy from the world the supplies of food and raw materials which are essential to the life and work of the British people. At the same time it will keep open a market for those surpluses of the United States which are customarily exported to the United Kingdom. These are the important short-term purposes of the credit.

But the Financial Agreement is much more than a credit. Let me repeat, its most important purpose from our point of view is to cause the removal of emergency controls exercised by the United Kingdom over its international transactions far more speedily than is required by the Bretton Woods Agreements. The Financial Agreement will enable the United Kingdom, through the prompt relaxation of exchange restrictions and discriminations, to move side by side with the United States toward the common goal of expanded world trade which means expanded pro-

duction, consumption and employment and rising standards of living everywhere.

The line of credit which will be extended to the United Kingdom under the Agreement may be drawn upon until the end of 1951. At that time the United Kingdom will be obligated to begin repayment of the principal with interest and those payments will continue over a period of 50 years. These terms are neither unusual nor difficult to understand. There is one new concept, however, embodied in the terms of the credit. We have recognized that conditions may exist temporarily during such a long period of time which would make the payment of interest on such a large amount difficult if not impossible. Accordingly, provision has been made for the waiver of interest by the United States Government after a certification by the International Monetary Fund as to the facts regarding the balance of payments position of the United Kingdom. It is not to our advantage to press for payment of interest when payment is impossible and thus force default and a crumbling of international economic relations.

The financial assistance which the United Kingdom would receive under the Agreement has made it possible for the two governments to agree on a specific course of action which in a short period of time will result in the removal of emergency controls over foreign exchange and discriminatory import restrictions and the reestablishment of peacetime practices designed to promote the recovery of world trade. Britain has agreed to abolish the so-called "sterling area dollar pool." She has agreed to give up most of her rights during the transition period provided for in the International Monetary Fund Agreement and thus to abandon controls over foreign exchange which she would otherwise be permitted by the terms of that Agreement to continue for a considerable period of time. In addition to the direct benefits which will flow from this stimulus to Anglo-American trade there will be the added benefits derived from the ability of other nations to relax their restrictions once the United Kingdom has led the way.

Another troublesome financial problem which has been fully and frankly discussed by the two nations is that of the sterling liabilities of Great Britain which have resulted from her large ex-

¹ For text of the agreement, see BULLETIN of Dec. 9, 1945, p. 907.

The Credit to Britain, the Key to Expanded Trade

By UNDER SECRETARY ACHESON

WE AMERICANS who are accustomed to tackle most problems with confidence and optimism have a curious attitude toward our efforts in international affairs. It is common, and rather a mark of sophistication, to say that we have no foreign policy. No matter how often the President and the Secretary of State make definite statements defining our foreign policy, the refrain goes on that we have none. If officers of the Government lay their views before the country they are accused of being propagandists. If they say nothing they are accused of secrecy. If we go into negotiations with other nations, the cry goes up that we will be out-traded.

Yet within two months we have seen four outstanding accomplishments of American diplomacy—the Moscow Conference, the loan agreement with Great Britain, the creation of the Bretton Woods Fund and Bank, and the first meeting of the General Assembly of the United Nations. Each of these carries forward mightily the main stream of policy on which the American people are agreed, to strengthen our own security and prosperity by promoting the unity and strength of the United Nations. I think these four achievements alone prove that we have a foreign policy and that we are not altogether incompetent in carrying it out.

I propose to speak today about the loan agreement with Great Britain and its great importance to us and to the world. To realize what the agreement is about we must first understand two things, the importance of Great Britain to world trade and the situation that Great Britain finds herself in at the war's end.

Great Britain has been for many years the world's best customer. She has bought every year more of the world's goods of every kind than any other single country. She has also been a great exporter. A fifth of the world's foreign

commerce moved in and out of her ports before the war. But she is even more important than this because the countries which use her money—the pound sterling—in their international transactions conduct almost a third of the world's total foreign trade. By comparison, we and the Canadians between us carried on less than one fifth of the world's foreign trade before the war. British currency, like our own, is known in every trading center in the world, and many other currencies depend upon the British pound. The pound sterling and the dollar: these are the two great currencies in which international business is transacted. In 1938 over one half of the world's foreign trade was carried on in pounds or dollars. With the war over and Germany and Japan pretty well out of the picture the figure will be still higher, perhaps as high as 70 percent. In other words, by far the greater part of all the world's foreign commerce is paid for in pounds or dollars. If these two currencies are freely interchangeable at a stable rate, businessmen all over the world can start up their factories, employ workers, produce goods and buy and sell nearly everywhere—confident that the purchase price will be paid in money which they can use anywhere.

This ability to exchange British money for American money has been disrupted by two wars. After the last war we started to exchange our money on the old basis—\$4.86 to the pound sterling—but we were forced to give that up in the 1930's. In this war Great Britain was in the fighting for six years. The British poured everything they had into the war and war production. They converted their industry almost completely, cut their civilian standards to a bare minimum, and

The above address was delivered before the United Nations' Association of Maryland, Baltimore, Md., and broadcast over station WBAL on Feb. 1; it was released to the press on the same date.

suffered destruction at home that we were spared. In particular, they cut their exports to the bone. In 1945 they sold abroad less than one-third of what they sold in 1938. It will take a long time to rebuild that trade.

This is a very serious matter for the British people. They cannot cut down much on the goods they buy abroad, for these goods make up a large part of the food they eat and of the raw materials that keep their factories running. But the decline in their sales to other countries means that they earn from sales abroad with which to pay their foreign bills not much more than a third of what they did before the war.

This is not the whole story by any means. Before the war the British people owned large investments overseas—in the United States and elsewhere—and the interest and dividends they drew from those investments helped them to pay for imports. A large part of those investments they sold during the war—mostly before Lend-Lease got going—to raise cash to pay for guns and tanks and airplanes. Other investments, such as rubber plantations and the British merchant fleet, were damaged in the war and will take years to regain their old earning power. In the meantime the bills for imported food and raw materials keep coming in.

This is not the whole story even yet. During the war the British Government bought war goods from many countries on credit. The resulting debts, payable in pounds sterling, ran to 14 billion dollars by the end of 1945. These debts are owed to India, Egypt, Ireland, and other countries inside and outside the British Empire. We think many of these debts ought to be scaled down as a contribution to the war. The British think so too, and in the financial agreement with us they have stated what they hope to do about them. But scaling down requires the agreement of the creditors; and after it is accomplished there will still remain a large obligation to be worked off over a period of years. That means that for a long time Britain will have to ship goods in payment, and for those shipments she will receive no income with which to pay for her imports.

The situation sounds desperate, and it certainly is serious and will be so until Britain is able to build up her export trade to the point where her income is enough to pay for her outgo. It is serious, but manageable. Britain has great resources of technical knowledge, plant, manufac-

turing "know-how," financial integrity, and commercial skill. With reasonable forbearance from her creditors and working capital to get over the emergency she can surmount her troubles and become again as she has been so long—one of the very largest factors in the commerce of the world. Once the pound sterling is made secure and freely exchangeable at stable rates for dollars, the way is open for a growth of trade that can advance all countries to new heights of prosperity and welfare.

This is what the financial agreement with Great Britain is about. It is not a reward for an ally, however gallant and enduring. It is not a pension, gift, or handout of any description whatever. It is an investment in the future: the kind of future in which enterprise can operate under the rule of equal opportunity to bring about prosperity, the kind of future in which the port of Baltimore and every other seaport in the world can see its peacetime trade revived and prosperous, the kind of future in which farmers, merchants, manufacturers—and the consumer, who is all of us—can enjoy the increased markets and the increased welfare which an expanded foreign trade can bring about.

I think it is also an investment in security. If the loan were not made what would the situation be? Britain would still need foreign goods, and would have few dollars to pay for them. We have never bought nearly as much from her as she has from us. She would of course have supplies of her own currency, pounds sterling, and adequate supplies of the currencies of those countries which buy as much from her as she from them. She would have to buy her needs, or as much of them as she could afford, from the countries which bought equivalent amounts from her or those which were willing to take payment in pounds sterling.

We are not in either class. She would have to channel business by government decree—business that normally would come to us—to other countries. And those other countries would have to channel their purchases to her, in order to be sure of getting paid. We would see, in short—not because Britain wants it but because there would be no other clear way out—a stiffening of restrictions upon trade, exchange controls, import controls, and imperial preferences, all directed necessarily against countries whose currencies were hard for her to get, because they did not buy from her

directly. This would mean chiefly the United States.

So there would necessarily be increased discrimination against American traders in many markets. The foreign trading community in this country would press for retaliation. Sooner or later we would retaliate in kind. Then we would see a full-scale economic struggle, led by two great governments, with no holds barred.

What nonsense that struggle would be. We would be fighting our best customer, one of our great allies, on whose continued cooperation with us and the rest of the United Nations the foundations of the peace depend. And we should be struggling for continually shrinking markets, instead of working together to expand all markets by increasing prosperity everywhere. This would be a sure formula for defeating every prospect of success of the United Nations Organization and of improved conditions of life everywhere based on increased production and employment.

Perhaps these are exaggerated fears. But I assure you that my statement of the benefits of the agreement is by no means exaggerated.

Now what does the agreement say?

First, we agree, if Congress approves, to extend to the United Kingdom a line of credit of \$3,750,000,000, which can be drawn on as needed at any time until December 31, 1951.

This is not the only emergency financial help Great Britain will receive. She will receive loans from certain other countries, and I hope substantial debt cancellations from some of her war-time creditors. The total is enough, but not too much, to enable her to pay her necessary foreign outgo until her export trade expands to the point where she can pay her current foreign bills from current income. From Britain's point of view, that is the major purpose of the credit.

From our point of view it has several other purposes. In addition to the undertaking to repay the loan with interest Great Britain promises:

First: Not to restrict payments to Americans for goods imported into England or for other current transactions. That takes effect as soon as the agreement is approved by Congress, and it means that people in this country who engage in business with their customers in Britain can get paid in dollars with no strings attached.

Second: Within a year Great Britain agrees to make arrangements for the free interchange of

pounds sterling and dollars in countries whose principal international currency is the British pound. When this is done, people who receive pounds for current transactions will be able to use them anywhere in the world. This means that a merchant in Calcutta, for instance, or in Cairo, who sells a bill of goods in London can exchange the proceeds for dollars if he wants to, and spend them in this country.

Third: Also within a year, to apply the same rule to transactions with all countries, so that a Dutchman or a Frenchman or a Pole or anybody else who sells goods in the English market can exchange the proceeds for any currency he pleases and spend them where he wants.

These provisions are a great step forward. With the International Monetary Fund to back them up and spread the rule to other currencies after a somewhat longer transition period, they bring within our sight the day when men in every trading country can use their income and resources to buy and sell in the best markets. But this is not yet the whole story.

A moment ago I mentioned the British sterling debts arising from the war. As they stood before the loan agreement these debts were payable only in pounds, so that the creditors in order to collect their claims had to make purchases of foreign goods in Britain or in those countries which would accept pounds. Under the loan agreement the United Kingdom promises that whatever payments on these debts are made after one year will be available for use for current transactions in any currency area without discrimination. This means that when Indian or Egyptian, Irish or South American creditors, or other holders of these claims are paid, they can use the money to buy anywhere they please.

These are the arrangements about money. The United Kingdom also promises, effective at the end of 1946, not to discriminate against this country in the administration of its quotas upon the quantity of imports.

This does not mean that there will be no British import quotas. I am sure there will be, for loan or no loan, Britain cannot afford to let the British people buy all the foreign goods they want. But under the agreement we have Britain's promise that within whatever quotas are established, sellers in this country will have a fair chance to compete for the business.

All of this put together is a great step forward. The British thought we were pushing them hard. Some of their newspaper editors and public men still think so. They have thought the loan should be an outright grant, they have criticized the requirement that interest be paid, they have criticized especially the requirements about import and exchange control that I have just discussed. But our British friends have realized that we are taking a risk too, and that the terms are not unfair, and the British Parliament has approved the financial agreement. The hope for both of us is to expand prosperity and trade around the world, and, to do that, special deals that discriminate against third countries must be eliminated.

One major virtue of this loan agreement is that it cuts through the financial log jam which has made it so difficult to get on with the job of removing other obstacles to trade between nations.

We are starting on that too. On the same day that the financial agreement was signed there were made public the American Proposals for Expansion of World Trade and Employment.¹ With their immediate financial problem cared for by the loan, the British Government was able at once to endorse all of the important points in these proposals. Under them we shall sit down this summer with 14 important countries to reduce all kinds of barriers to trade under the Trade Agreements Act, and we hope shortly afterwards to meet in general conference of the United Nations for the same purpose.

In trade our interest, the British interest, the interest of all countries is in expansion rather than restriction, in greater production rather than scarcity, in equal opportunity rather than discrimination.

We have proposed the framework of an agreement that advances these objectives, and we have asked the people of this country and the governments and peoples of other countries to give it their most serious consideration. One main advantage of the loan agreement with Great Britain is that it makes it financially possible for the world's largest purchaser of foreign goods to join us in that project. They are back of it as thoroughly as we are.

One thing should be made perfectly clear in connection with these trade proposals. They do not involve any present agreement about any American tariff rates, and they do not increase in any respect

the President's authority to enter into such agreements. That authority remains exactly what it was before, and is stated in the Trade Agreements Act as that Act was last renewed by Congress in June 1945.

Our negotiations this summer with 14 countries will be conducted under the Trade Agreements Act. They will be preceded by public notice and regular hearings under that Act. Any concessions made by the United States will be determined selectively, with regard for the interests of American producers, and only in return for adequate corresponding concessions made by other countries. One of the concessions we shall ask for will be directed toward British imperial preference on commodities which we export. Negotiations with these 14 countries will precede the International Conference on Trade and Employment, which will be held later in the year.

I have spoken of the things the loan agreement deals with. It does not deal with naval bases or airfields, or the fifth freedom of the air, or the future of Palestine or India.

Some people have criticized the American negotiators for this reason. They suggest that we should have used the loan negotiations to extract from the United Kingdom concessions on a variety of subjects having no connection with the loan itself. Naturally, each of these critics has his own list of the additional concessions which should have been obtained.

There are two reasons why this was not done: it would not have been fair, and therefore it would not have worked.

The bargaining power of a lender of money is large, but not infinite. If it is pressed too hard there comes a point when the prospective borrower packs up his bag and goes home. That point is likely to arrive when the lender starts inserting clauses that have nothing to do with the subject-matter of the main transaction.

The provisions of the loan agreement with Great Britain have been called stiff, and the length of the discussions truthfully suggests that they were not all easy to negotiate. But they all had to do with the commercial and financial facts which were the reason for the credit and with the measures needed for the growth of trade which is the ultimate main source for its repayment. The terms were therefore all germane to the transaction. In the end this had to be admitted.

(Continued on next page)

¹ For text of the proposals, see BULLETIN of Dec. 9, 1945, p. 912.

Agreement at Yalta on the Kuriles and Sakhalin

At his press and radio news conference on January 29, the Secretary of State said that he was advised that at Mr. Acheson's press conference he expressed the understanding that the Yalta decision as to the islands that were in question was that the Russians should occupy them but that no final award had been made. Explaining that he had never seen the original agreement and that he had first learned of it after the surrender of the Japanese, the Secretary disclosed that under the agreement the southern half of Sakhalin, which at one time was Russian territory and which was ceded to Japan about 1875, was, under agreement between Mr. Roosevelt, Mr. Churchill, and Mr. Stalin, to be returned to the Soviet Government after the surrender of Japan. He added that the same agreement was made as to the Kurile Islands and some islands adjacent to the southern half of Sakhalin.

Asked whether it would be necessary to have a peace treaty to formalize that transfer, the Secretary replied in the affirmative, adding that that was his understanding of all those matters. Pointing out that someone might raise the question that where territory had previously been in possession of a government it would not be neces-

sary, the Secretary said that it was his understanding that any cession of territory must be legalized in a treaty, either a treaty between two countries, or, where a treaty has been forced upon a country that has surrendered, the government is required to sign. He said that he held that view as to the territory adjacent to the Curzon Line and Silesia. A correspondent pointed out that in the case of the Curzon Line that had been done within a recently announced treaty between the Soviet Union and Poland. Replying, the Secretary said that it could be done only with a treaty between two governments, pointing out that that had not been done in the case of Japan in answer to this particular question. He asserted that whatever government exists in Japan should enter into a treaty. Asked whether the agreement was so phrased that it could be interpreted as an award of those areas to the Soviet Union, or merely that Britain and the United States would support the Soviet Union's claim to it in an eventual peace treaty, the Secretary replied that it was his recollection that the language in one of the agreements was that it should be turned over, but he added that there was not any question about what was intended at Yalta because at Yalta he heard Mr.

ACHESON—Continued from page 188.

By sticking to the point the American negotiators were able to negotiate a bargain which promotes the fundamental interests of the United States. Had they done otherwise, I fear that like the dog in Aesop's fable they might have lost the bone they had. "Dollar diplomacy" is not necessarily an evil, but it does have its limits, and it is well to remember what they are. One of them is that between self-respecting people political concessions are not to be bought for money.

This transaction should be judged for what it is. It does not solve all the troubles of the world, or even all the questions between us and the British Commonwealth countries. It does solve the largest and on the whole the most difficult international financial problem that confronts us, and lets us go ahead to the solution of a host of other questions. Four months after the war's end I think that is a great accomplishment.

I have talked a good deal tonight about trade and money, and little about the political foundations of the peace. The political foundations are essential, but one thing we have learned since 1918 is that they are not enough. The organization of the peace means its organization on all fronts. We need not only the Security Council of the United Nations, but the Economic and Social Council also. We need not only the International Court of Justice, but the International Monetary Fund. We need not only the International Labor Organization, but the Food and Agriculture Organization of the United Nations. We need not only the United Nations Educational, Scientific and Cultural Organization, but the International Bank for Reconstruction and Development and the International Civil Aviation Organization. And I am convinced that when we search our minds we shall decide that we need the International Trade Organization also, and the British loan that makes it possible.

Roosevelt on at least one or two occasions take the position that as to cession of territory, it was a matter that had to be settled in the peace treaty. He said that that was always Mr. Roosevelt's view and that at Potsdam Mr. Truman took the same position as to the Silesian area, making it plain that it was an agreement, and that at the proper time this Government would support it.

In reply to a query, the Secretary said that the agreement was signed on the last day of the Conference, a fact which he thought was the explanation of his knowing nothing about it. Asked whether the agreement was formalized in writing, Mr. Byrnes replied in the affirmative. He declared that he had no criticism of anybody about his not knowing of it, for there were very good reasons at that time why it should be kept a top secret. Calling attention to the fact that the Soviet Government took the position that it would take 90 days for them to move their troops from Germany to participate in the war against Japan, the Secretary pointed out that in February, as the Soviets were starting their drive that culminated in the collapse of Germany on the eastern front, it was exceedingly important that a statement of this kind should not have been made because it would have been information to Japan that the Soviet Union was going into the war. Asked whether Stalin had agreed to enter the Far Eastern war earlier in the Conference, the Secretary said that that was his understanding. Asked whether it was at Yalta that there was understanding that it would take 90 days to move to the Far East, Mr. Byrnes said that it was stated to the United States military people there. Asked whether, at the time that the agreement about the islands was entered into, it was entered into with full knowledge of the United States Chiefs of Staff who were represented at Yalta, the Secretary replied in the affirmative.

Asked whether the Russians committed themselves to any concessions to the United States for any territory it might want in Pacific islands, the Secretary said that as far as he had any information, they did not. Asked whether there were any land groups or sea areas involved in the agreement aside from Sakhalin and the Kuriles, the Secretary replied in the negative but revealed that in addition to those two points, the agreement had reference to the Port Arthur - Dairen situation, which was thereafter formalized in a treaty between

China and the Soviet Union.¹ Asked whether the Sino-Soviet agreement followed precisely the terms first projected at Yalta, Mr. Byrnes replied in the affirmative, but he added that there might have been some slight deviation. Asked whether there was any discussion at the Conference of the disposition of the other Pacific islands, the Secretary explained that he was not at the Conference and therefore could not tell the correspondents what took place.

A correspondent inquired why there had to be an agreement at all at that time. Mr. Byrnes said he did not know why there would have to be an agreement. The Secretary replied in the negative when asked whether there was any reference at Yalta to the possibility of a trusteeship for those areas. Asked whether there was any reason why the Yalta agreement with reference to the Kurile Islands should not be published, Mr. Byrnes said that he saw no reason.

When the President was asked at his press and radio news conference on January 31 when he had learned of the Yalta agreement on the Kurile Islands, he said that he did not know the exact time but that it was some time last summer previous to the Potsdam Conference. He added that it was necessary for him to be familiar with the agreement before attending the Potsdam Conference. Asked where he had found the agreement, Mr. Truman said that it had never been lost, that it had been filed in the private files of the President of the United States, that it was there all the time. Questioned about the likelihood of making the agreement public, the President explained that the State Department was inquiring of Great Britain and the Soviet Union to determine whether they have any objections, adding that if they do not it will be made public. Asked whether the agreement was in the form of a treaty, the President replied that it was just like the Yalta and Potsdam Agreements. Asked whether any more of these agreements would be brought up later, the President said that he couldn't answer that, but added that most of them had been made public. He explained that this type of an agreement constituted a wartime understanding between the Allies as to the best method of using their combined forces to win the war. In reply to a question, the President denied that the United States was demanding air bases on the Kuriles.

¹ See p. 201.

The Wheat Crisis in Europe

A discussion and explanation of the importance which our Government attaches to the question of the wheat shortage in Europe was broadcast on February 2, 1946 by Under Secretary of State Dean Acheson; Under Secretary of Agriculture John B. Hutson; and James A. Stillwell, Adviser on Supplies for War Areas in the Department of State. The text of their conversation on the air, released to the press on February 2, is presented below. The broadcast was the eighth in a group of State Department programs in the NBC University of the Air series entitled "Our Foreign Policy". Sterling Fisher, director of the NBC University of the Air, was chairman of their discussion.

FISHER: The question of the wheat shortage in Europe is of such vital importance that I am told it was discussed at some length in Cabinet meetings last week and again this week. This program is one result of those discussions. Mr. Acheson, can you explain the extreme importance which our Government attaches to this question?

ACHESON: Mr. Fisher, the facts are simply these: There will be suffering and starvation in Europe this winter, despite all our efforts to prevent it. We thought last fall that starvation could be avoided, by allocating the surplus wheat of the great exporting countries—the United States, Canada, Argentina, and Australia—to the countries that needed it most. Well, we've done that, but we find our efforts so far haven't been enough—for several reasons. The wheat crops of Europe and North Africa were even shorter than we had figured. Shipping has been a severe problem, too. And finally, we find that our surplus stocks are not as great as we had thought. We want the world to know the full extent of our efforts to get the goods to Europe. At the same time we want the people of the United States to know we've got to do more than we have done so far—even if it means a return to wartime conditions in some sectors of our economy. We've won the war. We can't afford to let hunger and starvation defeat us now.

FISHER: That's laying it on the line. And I understand, Mr. Acheson, that the Government is taking drastic action to avert this danger, or at least to minimize it.

ACHESON: Yes, President Truman this week released a directive to all Government Departments ordering them to do everything possible to speed the shipment of wheat and flour. He also ordered them to do everything they could to con-

serve our wheat resources. The President repeated a statement he made after the Potsdam Conference, and I think it's worth quoting here:

"If we let Europe go cold and hungry, we may lose some of the foundations of order on which the hope for world-wide peace must rest. We must help to the limits of our strength; and we will."

The President emphasized that last sentence: "We must help to the limits of our strength; and we will." I believe the American people will back him up on this.

FISHER: The public-opinion polls indicate they will; most Americans would have been willing to continue rationing, if necessary, to prevent starvation in Europe. Now, Mr. Hutson, I know that as Under Secretary of Agriculture you have made a special study of conditions in Europe. Just what is the situation now? Has actual starvation begun?

HUTSON: Not yet—at least not mass starvation. That's what we're struggling to prevent.

FISHER: How much food are they getting over there now?

HUTSON: Well, we have set as a goal for the liberated countries—our Allies—a minimum ration of 2,000 calories a day per person. That's the standard set by UNRRA for subsistence.

FISHER: How does that compare, Mr. Hutson, with our diet over here?

HUTSON: I think the average American eats something over 3,000 calories of food a day. That's at least 50 percent more than we have set as the minimum standard for subsistence in Europe. But the important thing is, many of the liberated countries have had a struggle even to get rations up to 2,000 calories, and now they're falling behind in the fight.

ACHESON: We have just received some estimates of the prospects for the next few months. Over 125 million people in Europe will have to subsist on less than 2,000 calories a day. And about 28 million—mostly city dwellers—will get less than 1,500 calories a day—less than half as much as we get here in America. In some parts of Europe, the figure will go down to 1,000 calories or less.

FISHER: Do these figures include Germany, Mr. Acheson?

ACHESON: Yes. Of course, a lower standard has been set in Germany than in the liberated countries. In Germany the so-called "normal consumer" is supposed to eat 1,550 calories per person daily. This is considered the bare minimum for preventing disease and unrest that might endanger the occupying forces. But actually, there is trouble meeting that quota also. According to some reports the Germans in our zone are getting only an average of 1,300 to 1,350 calories a day.

FISHER: The lower ration in Germany is in line with the policy of making sure Germany doesn't fare better than the liberated areas, isn't it, Mr. Acheson?

ACHESON: Yes, under the Potsdam agreement we must give priority to the needs of people in the liberated areas. That's only fair.

FISHER: There has been a lot of interest in the question of feeding the Germans. In digging into this subject, we found that several hundred people have written the White House and the State Department, pro or con. Here's a common question: Are we going to let the Germans starve in spite of the humanitarian principles we profess?

ACHESON: The answer to that is *no*. It's not our policy to let our ex-enemies starve. We don't think that's a sound thing to do, from our own point of view. Our first responsibility is to prevent mass starvation among our former Allies. But we can't afford to permit famine conditions in Germany either.

FISHER: Now, Mr. Acheson, we've been talking about calories, which is all very well—but a calorie is a little hard to put your finger on. Can't we pin this thing down in terms of tons, or pounds of wheat, or better yet, loaves of bread?

ACHESON: The countries that are short of wheat—which include nearly all of Europe—need, between now and July 1, 17 million tons of wheat *more* than they have on hand. At most, 12 million tons can be shipped to Europe from the

United States, Canada, Australia, and Argentina. Six million tons of this must come from the United States. That was the best we figured we could do; the rest must come from the other three countries. So, if we all do everything we can, Europe will still be 5 million tons short; and that's a lot of wheat, especially when you haven't got it.

FISHER: Mr. Hutson, can you translate that figure for us? What would 5 million tons of wheat mean to the *people* of Europe?

HUTSON: Well, 5 million tons of wheat will make around 11 billion loaves of bread. The present bread ration for each person in France and Italy is only about half of an ordinary loaf of bread a day. And remember this: They have to eat a lot more bread than we do, because about two thirds of their total diet is bread. But to answer your question specifically, Mr. Fisher, 5 million tons of wheat would feed a hundred million Europeans on their present rations for about 6 months.

ACHESON: In other words, for every million tons of wheat now allocated which does *not* reach Europe, 20 million people would have to go without bread for 6 months—which would mean starvation, since bread is the main article in their diet. Or, if the wheat they have is spread more thinly, it would mean near-starvation for a much greater number.

HUTSON: And I'd like to point out, Mr. Fisher, that the four supplying countries must exert every effort to meet even their present quota. In this country, for example, we can supply 6 million tons only by almost superhuman efforts.

ACHESON: That is why the President is asking us to make superhuman efforts. The situation is so bad in some countries that there is only enough wheat and flour for a two-week supply of bread. Millions of Europeans will go hungry and may even starve before the next crop is in. That's why it's so urgent right now that Americans understand the situation.

FISHER: I'd like to ask Mr. Hutson how it happens that Europe is so short of wheat. I know the Nazis drained off what they could, but there has been a new crop since then.

HUTSON: There are two reasons. In the first place, most of the European countries have experienced the worst drought in 50 years. This drought also hit North Africa, which normally exports wheat to France. In fact, the crop was

so bad in French North Africa that officials there claim they must import 2 million tons of wheat—that's about 75 million bushels—during the next 12 months.

FISHER: That must have been quite a blow to France, then.

HUTSON: Yes, France is now without grain imports from North Africa. On top of that, the French crop itself is only 50 percent of normal. The same is true in Italy, Yugoslavia—all through southern Europe. To make things worse, the previous year's crop was also short—not only in Europe, where the war was still on, but in Australia and Argentina as well. Australia had one of the worst droughts in her history a year ago. This year her crop is much better. But the net result of these crop failures abroad has been that North America is the only part of the world with a sizeable carry-over from last year.

FISHER: It's lucky for everyone that we had good weather and bumper crops. But you mentioned a second reason for the world shortage, Mr. Hutson.

HUTSON: That has to do with the war. You have to remember that the war was still on in a great part of Europe when last year's crop was planted.

FISHER: So a lot of wheat acreage didn't get planted?

HUTSON: Wheat *acreage* held up pretty well. But even where the drought didn't strike, the yield was low because of the war conditions—lack of fertilizer for several years, lack of machinery and manpower. It's a pretty dismal situation everywhere in Europe.

ACHESON: We must realize that this is not an ordinary shortage situation. In normal times, a world shortage of wheat wouldn't have been so serious. But today other foods are short, too—there is no way to make up the deficit. Furthermore, most of the people of Europe have been on a pitifully low ration for a long time and they cannot stand extreme shortages nearly as well as people who have been well fed.

FISHER: On this matter of extreme shortages—there have been some conflicting reports, Mr. Acheson, on the degree of hunger in Europe. Some writers have reported that conditions weren't as bad as they have been painted.

ACHESON: Most of these observations were made last fall, when the picture was a little brighter.

The 1945 crop was harvested, such as it was, and there was enough to eat for the time. Since then the situation has grown steadily worse. Country after country has found it had overestimated its supply of grain, and has used up its supply to meet rationing requirements.

HUTSON: That's right, Mr. Acheson. The shortage in Europe is so great that suffering and starvation will undoubtedly result. And unless we can greatly increase our shipments of wheat, we may have to choose between trying to limit the starvation to Germany, thereby running the danger of imperiling our whole occupation program; or—this is the alternative—spreading the supply thinly everywhere, with the result that there will be starvation on a somewhat smaller scale throughout Europe—even in the countries of our Allies.

FISHER: That's a very grim prospect, Mr. Hutson. Do you think, Mr. Acheson, that some starvation is *inevitable*?

ACHESON: As things stand now, nothing short of a miracle can prevent it. But there's this hope—miracles are by no means rare in America. The way we won the battle of production and the battle of supply during the war was little short of miraculous. Once the American people realize the danger that faces the people of Europe, I believe they are capable of producing another "miracle"—not all by themselves, of course, but with the help of the other supplying countries. We're already working on our end of the problem—trying to achieve a "miracle" in transportation, first of all.

FISHER: That recalls a question that several people have asked in letters to this program and, I believe, in letters to the State Department as well. They usually put it this way: Since we did such an immense job supplying the greatest expeditionary force the world has ever seen, why should we have trouble getting enough supplies to Europe to prevent suffering and starvation?

ACHESON: To answer that question fully, we'll have to go into the problem from two angles: Supply and transportation. I think Mr. Hutson might say a word about the supply problem first.

FISHER: Right. You implied a while ago, Mr. Hutson, that we may not be able to supply even 6 million tons of wheat from the United States. I thought we had a big surplus in this country.

HUTSON: We do have good supplies in relation to our own normal needs. But remember that in pre-war years we exported less than a million tons of wheat a year. For the last 3 years, thanks to

the efforts of our farmers, we have had bumper crops of wheat and were able to fill huge military needs. But even with military needs reduced, there won't be enough to meet all demands this year.

FISHER: But why?

HUTSON: Because of the tremendous shortage of wheat that has developed in Europe since the last crop, the demands on this country greatly exceed any previous demands. Last fall it appeared that at the end of 1945 we would have wheat stocks estimated at about 25 million tons, or about 750 million bushels, of which we thought we could export about 225 million bushels. But by January first we found that our stocks of wheat were 61 million bushels lower than we had anticipated.

FISHER: But, Mr. Hutson, what happened to that 61 million bushels? Was the estimate too high?

HUTSON: No, our estimate of production was accurate enough; but we exported much more last fall than we had anticipated. Then too—and this is important—more wheat has been used for feeding livestock than we had figured. We had a large corn crop, but its nutritional value was low this year, so some farmers have been feeding wheat to their stock to supplement corn. At the rate wheat has been used for feeding, this country will not be able to meet its export quota for the first 6 months of this year, unless drastic steps are taken to conserve our stocks.

FISHER: What sort of "drastic steps" do you advocate, Mr. Hutson?

HUTSON: Under the President's directive, the Department of Agriculture will do everything possible to conserve grains used to feed livestock. Farmers are being asked to market their hogs and cattle at lighter weights, to cull poultry flocks, and to raise fewer additional chickens and turkeys, in line with production goals. All of this will help to save grain. That will help to prevent further dwindling of our wheat supply.

ACHESON: And I would like to add, Mr. Fisher, that we have come out of this war the most favored nation on earth, and no matter how drastic the steps we are forced to take, we must not let less favored peoples starve. We cannot go on feeding wheat to our hogs and cattle while people die of hunger. No American would want to do that.

FISHER: Now, on your second point, Mr. Ache-

son—what is being done to break through the jam in transportation?

ACHESON: To deal with the whole question of transport, an interagency Committee on Export Transportation has been set up under the chairmanship of Capt. Granville Conway, Acting Administrator of the War Shipping Administration. The State Department's representative on this Committee is James A. Stillwell, our adviser on supplies for war areas. I have asked him to join the discussion at this point, to explain what the Committee is doing.

FISHER: Fine. It's about time we heard from you, Mr. Stillwell.

STILLWELL: Going back to your earlier question, Mr. Fisher, as to why we are having trouble getting supplies across in view of our successful record during the war, I must point out that we're now shipping twice as much out of Atlantic ports as we did during the peak of war activity.¹ In November 1944, when our European offensive was at its height, about 600 ships left our Atlantic ports. A year later, in November 1945, that figure had doubled—1,200 ships sailed from those same ports. Right now our most urgent problem is to move the wheat we have on hand. We have enough ships. The real bottlenecks are inland transportation, to get wheat from the farm areas to the seaports, and facilities to load the ships.

FISHER: What about the harbors of Europe, where so many ports were devastated in the war?

STILLWELL: Europe now has enough port facilities to handle the required tonnage. It is our own seaports that are overtaxed. We're now facing much greater transportation and port-handling problems than we ever faced during the war.

FISHER: What is your Export Shipping Committee doing, Mr. Stillwell, to improve this situation?

STILLWELL: We're working on an hour-to-hour basis, Mr. Fisher, to move every possible ton of wheat. When a bottleneck appears, we get on the phone to the proper authorities and try to get immediate action. And we usually do. We're operating as a war agency, with red tape reduced to a minimum.

FISHER: Suppose we follow a shipment of wheat from farm to ship and see what kinds of problems arise. The first leg of the journey would be to haul the wheat to the grain elevators.

¹ See Mr. Stillwell's article on "Wheat and Coal for Liberated Areas" in BULLETIN of Feb. 3, 1946, p. 152.

STILLWELL: That's the farmer's job, and he's doing it pretty well, as Mr. Hutson can tell you.

HUTSON: Yes, Mr. Fisher; there has been some talk about hoarding of wheat on the farms, but that's utterly unjustified. In the north-central and northwestern States, where most of the wheat is, the elevators are bulging with grain. The problem is to get it out of the elevators and into boxcars headed for the sea. Only when the elevators begin to empty will we need to worry about the farmers.

STILLWELL: The main bottleneck in wheat is inland transportation—in box cars. The Shipping Committee is working every day to make more boxcars available for grain shipments.

FISHER: Can you give us an example of that, Mr. Stillwell?

STILLWELL: Well, a few days ago we got a wire from Portland, Oreg., the main port for shipping Pacific Northwest wheat to Europe, saying that shipments were lagging because they had been getting an average of only 161 cars of grain a day from inland points. We investigated and found they needed 300 cars a day. There weren't enough cars to be had out there, so the Office of Defense Transportation took immediate steps to order each railroad operating in the area to send a quota of boxcars out to the Pacific Northwest. That particular bottleneck will soon be cleared up. But it is going to be absolutely essential in the next few months that the railroads furnish enough cars to keep the wheat moving in a steady stream from the elevators to the ports.

FISHER: But what about port facilities? What are you doing to increase ship loadings?

STILLWELL: That's also a tough problem, Mr. Fisher. And to make it tougher, Canada is exporting about 2 million tons of wheat this winter season, and her main seaports on the St. Lawrence River are frozen over until early spring. As a result, much of Canada's grain has to be shipped through American ports.

FISHER: But, Mr. Stillwell, how can that extra load be handled?

STILLWELL: Every available port is being used, including some that do not ordinarily handle grain in the winter months. In January, 19 Liberty ships were loaded with wheat in Albany, N. Y. An icebreaker had to be sent up the Hudson River to clear the way for them. It was the first time wheat had ever been shipped from Albany during the winter period of heavy ice; but we

have to use port facilities wherever we can find them. We're exporting more wheat per month now than we exported per year before the war. But we must export still more, if we hope to prevent starvation.

FISHER: How much wheat did we export last month?

STILLWELL: Over a million tons. But to get the whole picture, you have to realize that we are also exporting coal to Europe at the rate of at least 1,400,000 tons a month, whereas in normal times we ship practically no coal to Europe. That adds to the congestion in our transportation systems and our ports and makes the problem of loading wheat more difficult.

ACHESON: Remember, Mr. Fisher, that wheat and coal are the two most important commodities in the world today. Life in Europe or anywhere else can't go on without them. Wheat means food, and coal means heat and power: Heat for the family, heat which makes the difference between the young and the old, dying and living; power for the factory, power for the railroad, power for public utilities. Without wheat and without coal, a nation is subject to physical and economic anemia, and the barometer of political discontent and agitation is bound to rise.

STILLWELL: Yes, Mr. Acheson, we must keep both wheat and coal moving. Fortunately, coal is less of an inland-transport problem than wheat; but it does jam up our port facilities.

FISHER: What is your Committee doing, Mr. Stillwell, to speed coal handling, to make way for wheat?

STILLWELL: Well, coal is being shipped out of virtually every Atlantic port from New York to Port Arthur, Tex. Some coal is even being sent from Utah to Europe by way of Long Beach, Calif. This is the first time in history that coal has been shipped to Europe by that route.

FISHER: I suppose you have bottlenecks in coal as well as wheat.

STILLWELL: Yes, last month we found that coal shipments from Baltimore and Philadelphia were lagging. We investigated and found that coke was being loaded, while coal ships lay empty in the harbors. Now, it takes about a week to load a ship with coke but only a day or so to load a ship with coal. The answer was obvious: We got the Office of Defense Transportation to place an embargo on the loading of coke until the coal ships were loaded, and that bottleneck was cleared up.

Remember such port congestion also slows down the export of wheat.

FISHER: Well, all this adds up to an amazing story. Mr. Acheson, are other countries doing as much as we are to get wheat to Europe? What about the Soviet Union, for example, and eastern Europe? They were great grain-producing countries before the war.

ACHESON: That's right. In normal times eastern Europe and the Balkans supplied a large part of Europe's wheat. But this year, because of the war, these areas have no surplus. In fact, Poland has asked for 600,000 tons to supply her own needs this winter. As for the Soviet Union, her great grain-producing areas are the Ukraine and Byelorussian Republics. And they suffered devastation worse than any part of eastern Europe—they bore the brunt of the war twice, going and coming. Their collective farms and their machinery were wrecked, looted, and destroyed. Now the Soviet Union is actually short of grain. But she will probably be able to get by better than some of the smaller European countries.

STILLWELL: Of course President Truman is asking each of the exporting countries to accept its proportionate share of the responsibility for meeting the world shortage. We're doing everything we can to make that possible.

FISHER: In what way, Mr. Stillwell?

STILLWELL: We're making ships available to carry both Canadian and Argentine wheat to the devastated areas. We are doing everything possible to make boxcars available at the proper places to keep wheat moving in a steady stream. But, Mr. Fisher, we must make certain that more grain is made available for export or our geared-up transportation will soon have nothing to move.

FISHER: It amounts, then, to a global war against hunger. Now, we come to a key question, which I'm going to direct to Mr. Hutson. We've heard the story of the crisis in supplying Europe. It's not a pretty story. But what can the average American citizen—Bill Johnson, out on a farm in Nebraska, or a small town in Indiana, or right here in Washington, D.C.—do to help?

HUTSON: Mr. Fisher, there's a place for everyone in this race against starvation. The farmer has done the first part of his job—he's produced the biggest crop of wheat we have ever had in this country. All we can ask him to do now is to conserve his wheat for human use so far as possible

and to keep the grain elevators full, as he has done so far.

FISHER: But how about the city dweller? As Under Secretary of Agriculture, what would you advise him to do?

HUTSON: Americans everywhere can do two things. First, they must remember the seriousness of the world wheat shortage when they are inconvenienced temporarily by the diverting of boxcars for hauling wheat. This means people in business and consumers alike, for the top priority now being given to European supplies means that shipment of consumer goods to market will be delayed.

FISHER: All Bill Johnson needs to do, then, Mr. Hutson, is to cultivate a little patience and understanding?

HUTSON: There's one thing more. Bill Johnson, and every citizen of the United States, can make a real contribution to relieve the wheat shortage simply by avoiding waste. A great amount of bread is wasted in this country every day. Now, you can't send half a loaf of bread to Europe; but in the long run you can accomplish the same thing by saving the equivalent of half a loaf of bread from the garbage can. Save it; toast it; eat it. Don't throw it away. It's a simple thing to ask; and yet it can be very important a few months from now, when our wheat supply runs low. Every pound of bread saved means almost a pound of wheat saved for people who will need it desperately by then.

FISHER: I think you ought to start a general campaign against wasting bread, Mr. Hutson, if it's that important. This could well be the opening gun. Now, Mr. Acheson, I'd like to ask you to put this whole question of supplying Europe in the larger context of our foreign policy.

ACHESON: Mr. Fisher, skillful diplomacy is an empty phrase when you are dealing with people who face starvation. A healthy, stable Europe is an important part of a healthy, prosperous world—the sort of world Americans want to live in. But there is a political aspect to this question too. We want to see democracy grow and thrive in Europe. If the people of Europe are hungry and disillusioned, democracy will suffer. For these reasons, and for the simple reason that we abhor suffering and starvation everywhere, we must do our utmost to get more and more wheat

(Continued on next page)

Civil Administration of Germany

At his press and radio news conference on January 29, the Secretary of State was asked to clarify what kind of civil administrative set-up for Germany was contemplated at this time and whether there were any outstanding differences between the State and War Departments on that subject. The Secretary said there were not any differences between the State and War Departments on that subject. He explained that before he left for London, he conferred with General Eisenhower on that subject, Secretary Patterson being away, and he advised General Eisenhower that in his opinion the occupation and administration of Germany should continue as at present, that the State Department was intended to be a policy-making department and not an operating department, and that he thought it would be very unwise to transfer to the State Department the task of administering occupied Germany, that the Department had no organization for that purpose. If the Department attempted to recruit one, he added, it would be utterly impossible to get an organization that he would want to take on that task because it would be necessary to ask men to accept employment for a short period of occupation. By the time the Department ever recruited an organization, the Secretary continued, the necessity would probably have passed by treaties of peace. He said that the Army was doing a splendid job and that it should continue until such time as it was possible to turn it over to a small civilian force. That time, he explained, would be dependent upon how soon a central administrative government is established in Germany and takes over operation. The Secretary said that there was no difference between the General and himself, although, the General, of course, said that the Army did not want the task. The Secretary said that he told General Eisenhower that he had read in the newspaper that the President had said at a news conference that it would be transferred either to the State Department or to a separate agency and that either move would be a great mistake in his (the Secretary's) opinion. The Secretary asserted that the General had agreed with him that at this stage there should not be any transfer, that he had advised the President, and

that the President had concurred. Mr. Byrnes disclosed also that Secretary Patterson, who had been exceedingly anxious to transfer it to the State Department or to any other place he could transfer it, had finally acquiesced in it. Asked whether he had made any estimate as to when that central German government might be set up and the administration turned over to a civilian force, Mr. Byrnes responded in the negative, adding that that was dependent upon how soon we can get France to agree to central administrative agencies. He said that he hoped that they would. Three or four months after it is installed, the Secretary continued, the United States would be able to see its way to reducing the forces there. He added that it was a very, very difficult situation at this time. Questioned about the proposal to proceed on the three-zone basis without France, the Secretary revealed that that proposal had not been agreed to but that he was hopeful that we can make headway on it. He said that he had gone over the situation with General Clay and Mr. Murphy in London and that they believe that they have made great progress in the last few months in getting local government established in Germany.

WHEAT CRISIS—Continued from page 196.

rolling and floating, from our farms to the sea, and across to Europe, where food is needed as never before.

FISHER: To summarize this discussion, then, Europe faces the worst food crisis of its history during the next 6 months. We are breaking all records in shipping wheat and other supplies to the people who need them; but we must do still more, if mass starvation is to be averted. All the resources of the Federal Government are being mobilized to this end and every citizen is asked to cooperate in any way he can to save European lives.

ACHESON: It's more than a humanitarian question; it's a matter of our national interest. We have a stake in a healthy, democratic Europe, and the best way to protect that stake is to prevent starvation and disillusionment during Europe's first winter of peace.

General Assembly of the United Nations

RESOLUTION ON ATOMIC COMMISSION

The Delegations of the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, France, China, and Canada presented to the General Assembly of the United Nations a resolution on an atomic commission. The text of the resolution as approved by the General Assembly on January 24 follows:

RESOLVED by the General Assembly of the United Nations to establish a Commission, with the composition and competence set out hereunder, to deal with the problems raised by the discovery of atomic energy and other related matters:

I. *Establishment of the Commission*

A Commission is hereby established by the General Assembly with the terms of reference set out under Section V below.

II. *Relations of the Commission with the Organs of the United Nations*

(a) The Commission shall submit its reports and recommendations to the Security Council, and such reports and recommendations shall be made public unless the Security Council, in the interest of peace and security, otherwise directs. In the appropriate cases the Security Council should transmit these Reports to the General Assembly and the members of the United Nations, as well as to the Economic and Social Council and other Organs within the framework of the United Nations.

(b) In view of the Security Council's primary responsibility under the Charter of the United Nations for the maintenance of international peace and security, the Security Council shall issue directions to the Commission in matters affecting security. On these matters the Commission shall be accountable for its work to the Security Council.

III. *Composition of the Commission*

The Commission shall be composed of one rep-

resentative from each of those States, represented on the Security Council, and Canada when that State is not a member of the Security Council. Each representative on the Commission may have such assistants as he may desire.

IV. *Rules of Procedure*

The Commission shall have whatever staff it may deem necessary, and shall make recommendations for its rules of procedure to the Security Council, which shall approve them as a procedural matter.

V. *Terms of Reference of the Commission*

The Commission shall proceed with the utmost despatch and enquire into all phases of the problems, and make such recommendations from time to time with respect to them as it finds possible. In particular the Commission shall make specific proposals:

(a) For extending between all nations the exchange of basic scientific information for peaceful ends;

(b) For control of atomic energy to the extent necessary to ensure its use only for peaceful purposes;

(c) For the elimination from national armaments of atomic weapons and of all other major weapons adaptable to mass destruction;

(d) For effective safeguards by way of inspection and other means to protect complying States against the hazards of violations and evasions.

The work of the Commission should proceed by separate stages, the successful completion of each of which will develop the necessary confidence of the world before the next stage is undertaken.

The Commission shall not infringe upon the responsibilities of any Organ of the United Nations, but should present recommendations for the consideration of those Organs in the performance of their tasks under the terms of the United Nations Charter.

REPORT FROM LONDON TO THE OFFICE OF PUBLIC AFFAIRS, DEPARTMENT OF STATE

LONDON, Feb. 1 (delayed).¹

UNRRA Committee Established

At one of the numerous committee meetings of the week a decision was reached to establish a committee of the General Assembly to enlist the maximum support for UNRRA. This proposal is subject to General Assembly approval. This special committee would encourage contributing nations to increase their contributions to UNRRA and to urge delinquent contributing countries to give UNRRA as much financial aid as they can at the present time. In addition, the special committee would urge member states of the United Nations which are not now enrolled to join UNRRA. One of the strongest protagonists of this plan was Congressman Sol Bloom, U. S. Delegate on Committee 2. In his comment on the resolution he stressed the importance of "immediate action". It was emphasized that UNRRA must complete its work in Europe at the end of 1946 and in the Far East three months later.

Another matter which was discussed at length in committee and will have to be decided on in the General Assembly deals with the voice private organizations will have in United Nations affairs. The General (Steering) Committee of the Assembly agreed in a close vote to permit the World Federation of Trade Unions "to take part in the work of the Economic and Social Council for purposes of consultation". Senator Tom Connally, U. S. Delegate, indicated he would bring this up again on the floor of the General Assembly. He argued that if one organization were named other private organizations such as the American Federation of Labor should also be named, since they are entitled to the same consideration as the W.F.T.U.

Other Committee Problems

Scant progress was made in committee discussion on trusteeships. Delegates have not been able to agree on the question of defining the term *states directly concerned*.

On the question of diplomatic immunities and taxation for members of the Secretariat, a com-

mittee is considering a proposal to set up a general convention providing for immunities and tax exemption. This convention would have to be ratified by all member states. Members of the U. S. Delegation are concerned in this matter with the rights of Congress in taxing U. S. citizens.

Also still to be decided is the problem of refugees. Committee 3 on Social, Humanitarian, and Cultural Questions has been debating two basic issues on this problem. Some members take the position that asylum always should be available to political refugees; others believe that if refugees do not return to their native land it is because they have records as collaborationists with the Nazis and Fascists. It is expected that a compromise between these two viewpoints will be reached in committee before the end of the Assembly session.

On the problem of Albania's admission into membership in the United Nations, the Security Council has decided to keep the item on its agenda. It will not be brought up during this session of the Assembly, however. The Council adopted the American suggestion that this point be held over until the applications of several other countries were received, and the Council could then act on all of them at one sitting.

International Court Justices

Nominations for the 15 justices of the International Court have been completed, each nation being allowed to name 4 men. Balloting for these posts will be done separately by the General Assembly and by the Security Council, and each body will put forward those men who have received a majority of the votes; then the lists are compared and the 15 top names common to both are selected. No nation may have more than one representative on this extremely important court. Observers predict spirited and rather lengthy voting on this.

Two other political problems concerning the situations in Greece and Indonesia are up for im-

¹ The first section of this report dealing with the Soviet-Iranian question, the appointment of Trygve Lie as Secretary General, and the organizing of the Secretariat appeared in the BULLETIN of Feb. 3, 1946.

mediate discussion before the Security Council. The original irritation of the British Delegation in having these substantive matters brought before the Security Council at this time has given way to a desire to have the problems discussed thoroughly and openly.

Transfer of the League of Nations assets to the United Nations is well on the way to completion. A United Nations committee and the Supervisory Committee of the League have been meeting jointly and separately and have completed their report. These findings will be submitted shortly to the 51-member *ad hoc* committee of the Assembly who will decide on them in behalf of the United Nations. The League will meet early in April to ratify these decisions, wind up League affairs, and turn over their holdings to the United Nations.

The first meeting of the Military Staff Committee, which is to work out a world strategic plan in case the Security Council orders armed action against an aggressor, will probably be held early in the week. The meeting has been delayed pending the arrival of the Soviet military representatives, who reached London Friday, February 1.

Miss Wilkinson Talks to Group Representatives

Miss Ellen Wilkinson, British Minister of Education and one of the British Delegation to the General Assembly, addressed a group of organization representatives January 30 in the third of a series of meetings designed to explain the purposes and operation of the United Nations and its affiliated agencies. Chairman of the United Nations Educational, Scientific and Cultural Organization (UNESCO) at its formative meeting in London last November, Miss Wilkinson outlined the tasks ahead of UNESCO and how it was closely tied in with the United Nations Economic and Social Council. Apart from its immediate problem of the "rehabilitation of education" in the war-torn countries of Europe, UNESCO has many plans for developing new educational methods, Miss Wilkinson explained. "There is the problem of teaching geography, rather a fluid kind of subject just now, and how to teach history, which has been so ideologically twisted and has colored the

attitude of children to world affairs. We would like to have history books tell of the Battle of Waterloo so that a German, French, and English child could know they were reading about the same incident."

In answer to a query on how world citizenship could be explained to students, Miss Wilkinson said:

"We want to show them that nationalism doesn't solve everything and that the particular country they belong to is not the best in the world in every respect. We have worked out how we can get the children to think in their school time of the whole world as a place they are living in, and we must develop a practical point of view of explaining that concept. We have to get down into the classroom in these things."

Organizations represented at the meeting included National League of Women Voters, General Federation of Women's Clubs, National Federation of Business and Professional Women's Clubs, B'nai B'rith, Commission on World Peace of the Methodist Church, World Government Association, Pan-Pacific Women's Association, Salvation Army, American Council of Education, Institute of International Education, National Peace Conference, United Nations Association, Church Peace Union, Girl Scouts of America, International Federation of Women's Clubs, Ecumenical Refugee Committee, International Cooperation Alliance, Ministry of Information, Trades Union Congress, Education Committee, National Peace Council, National Federation of Women's Institutes, World Jewish Congress, Pan-American League, U.S. Liaison Committee, Associated Country Women of the World, U.S. Veterans of Foreign Wars.

An outbreak of influenza which incapacitated 52 members of the 210-man Secretariat forced postponement for a day of Thursday's Assembly plenary session to allow the Documents Section to catch up on the huge amount of work still to be done. Despite this and the several unscheduled political problems which the Security Council has had to handle, it is believed that the first session of the Assembly will finish on schedule around the tenth of February.

Sino-Soviet Treaty of Friendship and Alliance

TREATY OF FRIENDSHIP AND ALLIANCE BETWEEN THE REPUBLIC OF CHINA AND THE U.S.S.R.

The President of the National Government of the Republic of China, and the Presidium of the Supreme Soviet of the U.S.S.R.,

Desirous of strengthening the friendly relations that have always existed between China and the U.S.S.R., through an alliance and good neighborly post-war collaboration,

Determined to assist each other in the struggle against aggression on the part of enemies of the United Nations in this world war, and to collaborate in the common war against Japan until her unconditional surrender,

Expressing their unswerving aspiration to cooperate in the cause of maintaining peace and security for the benefit of the peoples of both countries and of all the peace-loving nations,

Acting upon the principles enunciated in the joint declaration of the United Nations of January 1, 1942, in the Four Power Declaration signed in Moscow on October 30, 1943, and in the Charter of the International Organization of the United Nations.

Have decided to conclude the present Treaty to this effect and appointed as their Plenipotentiaries:

The President of the National Government of the Republic of China;

His Excellency Dr. Wang Shih-chieh, Minister for Foreign Affairs of the Republic of China,

The Presidium of the Supreme Soviet of the U.S.S.R.;

His Excellency Mr. V. M. Molotov, the People's Commissar of Foreign Affairs of the U.S.S.R.,

Who, after exchanging their Full Powers, found in good and due form, have agreed as follows:

Article I

The High Contracting Parties undertake in association with the other United Nations to wage war against Japan until final victory is won. The High Contracting Parties undertake mutually to render to one another all necessary military and other assistance and support in this war.

The Embassy at Chungking transmitted to the Department of State, with a despatch dated Dec. 17, 1945, the English translation of the accompanying treaty and agreements between the Governments of China and the Union of Soviet Socialist Republics signed at Moscow Aug. 14, 1945:

The following minutes of the meeting of July 11, 1945 in Moscow were received from the American Embassy at Chungking by telegram:

MINUTES.

At the fifth meeting held on July 11, 1945 between Generalissimo Stalin and Dr. T. V. Soong the question of the withdrawal of Soviet troops from Chinese territory after the participation by the U.S.S.R. in the war against Japan was discussed.

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Article II

The High Contracting Parties undertake not to enter into separate negotiations with Japan and not to conclude, without mutual consent, any armistice or peace treaty either with the present Japanese Government or with any other government or authority set up in Japan which do not renounce all aggressive intentions.

Article III

The High Contracting Parties undertake after the termination of the war against Japan to take jointly all measures in their power to render impossible a repetition of aggression and violation of the peace by Japan.

In the event of one of the High Contracting Parties becoming involved in hostilities with Japan in consequence of an attack by the latter against the said Contracting Party, the other High Contracting Party shall at once give to the Contracting Party so involved in hostilities all the military and other support and assistance with the means in its power.

This article shall remain in force until such time as the organization "The United Nations" may on request of the two High Contracting Parties be charged with the responsibility for preventing further aggression by Japan.

Article IV

Each High Contracting Party undertakes not to conclude any alliance and not to take any part in any coalition directed against the other High Contracting Party.

Article V

The High Contracting Parties, having regard to the interests of the security and economic development of each of them, agree to work together in close and friendly collaboration after the coming of peace and to act according to the principles of mutual respect for their sovereignty and territorial integrity and of non-interference in the internal affairs of the other contracting party.

Generalissimo Stalin would not like to have a clause in the agreement covering the entry of Soviet troops into Manchuria which provides for the withdrawal of Soviet troops within three months after the defeat of Japan. However, he said that after the capitulation of Japan the Soviet troops would commence to withdraw within three weeks.

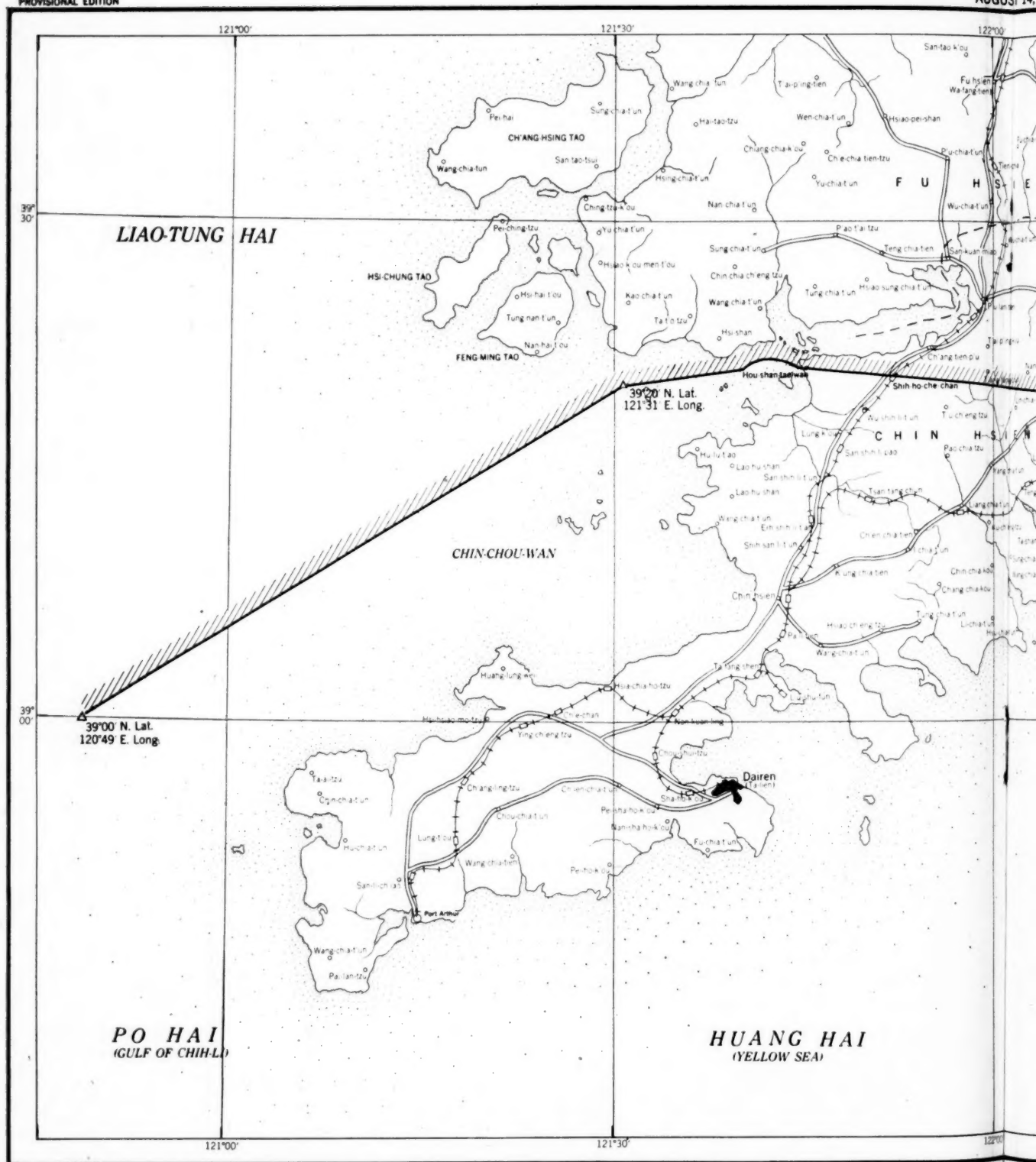
Dr. Soong asked how long it would take to complete the withdrawal. Generalissimo Stalin said he thought the withdrawal could be completed in not more than two months.

Dr. Soong further asked when [whether?] the withdrawal would be definitely completed within three months. Generalissimo Stalin said three months would be the maximum for the completion of the withdrawal. Moscow, August 14, 1945.

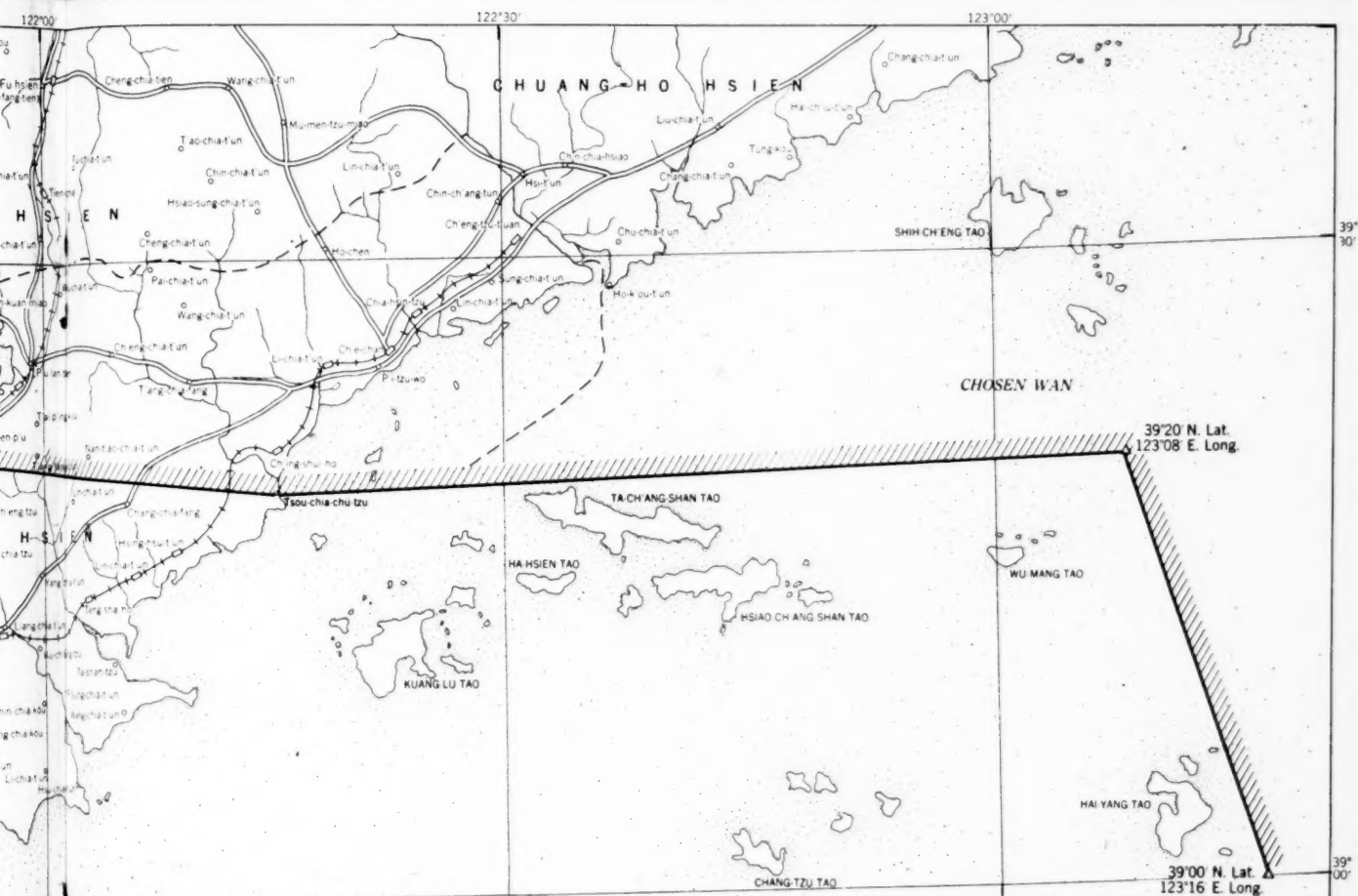
PORT ARTHUR NAV

IN ACCORDANCE WITH PROVISION
AUGUST 14,

PROVISIONAL EDITION



UR NAVAL BASE AREA WITH PROVISIONS OF SINO-SOVIET TREATY AUGUST 14, 1945

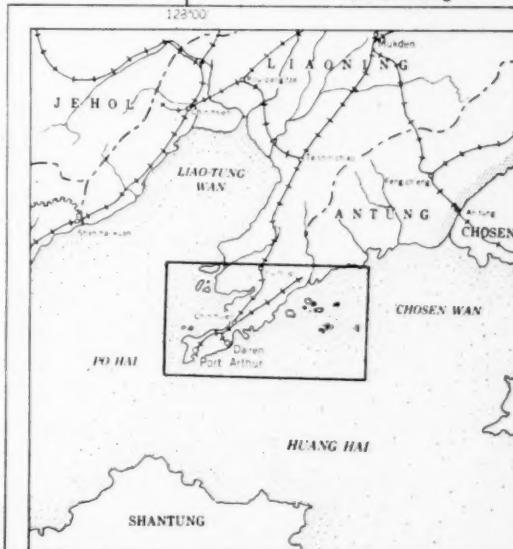
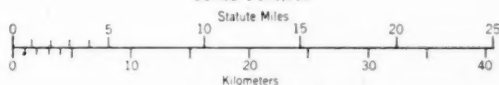


Note: This map was compiled from a blueprint copy of map described in Section Four, Article II of the agreement regarding Port Arthur, which is a part of the Sino-Soviet Treaty of August 14, 1945.

The city of Dairen is specifically excluded from the Port Arthur Naval Base Area.

- Treaty line - Port Arthur Area
- Hsien Boundary line
- Railroads
- Principal Roads

SCALE 1:375,000



Article VI

The High Contracting Parties agree to render each other every possible economic assistance in the post-war period with a view to facilitating and accelerating reconstruction in both countries and to contributing to the cause of world prosperity.

Article VII

Nothing in this treaty shall be so construed as may affect the rights or obligations of the High Contracting Parties as members of the organization "The United Nations".

Article VIII

The present Treaty shall be ratified in the shortest possible time. The exchange of the instruments of ratification shall take place as soon as possible in Chungking.

The Treaty comes into force immediately upon its ratification and shall remain in force for a term of thirty years.

If neither of the High Contracting Parties has given notice, a year before the expiration of the term, of its desire to terminate the Treaty, it shall remain valid for an unlimited time, each of the High Contracting Parties being able to terminate its operation by giving notice to that effect one year in advance.

In faith whereof the Plenipotentiaries have signed the present Treaty and affixed their seals to it.

Done in Moscow, the Fourteenth August, 1945, corresponding to the Fourteenth day of the Eighth month of the Thirty-fourth year of the Chinese Republic, in two copies, each one in the Russian and Chinese languages, both texts being equally authoritative.

THE PLENIPOTENTIARY OF
THE SUPREME SOVIET
OF THE U.S.S.R.

THE PLENIPOTENTIARY OF
THE PRESIDENT OF
THE NATIONAL GOV-
ERNMENT OF THE RE-
PUBLIC OF CHINA.

*[Exchange of Notes Relating to the Treaty of
Friendship and Alliance]*

August 14, 1945.

YOUR EXCELLENCY,

With reference to the Treaty of Friendship and Alliance signed today between the Republic of China and the U.S.S.R., I have the honor to put on record the understanding between the High Contracting Parties as follows:

1. In accordance with the spirit of the aforementioned Treaty, and in order to put into effect its aims and purposes, the Government of the U.S.S.R. agrees to render to China moral support and aid in military supplies and other material resources, such support and aid to be entirely given to the National Government as the central government of China.

2. In the course of conversations regarding Dairen and Port Arthur and regarding the joint operation of the Chinese Changchun Railway, the Government of the

U.S.S.R. regarded the Three Eastern Provinces as part of China and reaffirmed its respect for China's full sovereignty over the Three Eastern Provinces and recognize their territorial and administrative integrity.

3. As for the recent developments in Sinkiang the Soviet Government confirms that, as stated in Article V of the Treaty of Friendship and Alliance, it has no intention of interfering in the internal affairs of China.

If Your Excellency will be so good as to confirm that the understanding is correct as set forth in the preceding paragraphs, the present note and Your Excellency's reply thereto will constitute a part of the aforementioned Treaty of Friendship and Alliance.

I take this opportunity to offer Your Excellency the assurances of my highest consideration.

(Signature) V. M. MOLOTOV

August 14, 1945.

YOUR EXCELLENCY:

I have the honour to acknowledge receipt of Your Excellency's Note of today's date reading as follows:

[Here follows the text of the above note from V. M. Molotov.]

I have the honour to confirm that the understanding is correct as set forth above.

I avail myself of this opportunity to offer to Your Excellency the assurance of my highest consideration.

(Signature) WANG SHIH-CHIEH

[Exchange of Notes on Outer Mongolia]

August 14, 1945.

YOUR EXCELLENCY:

In view of the desire repeatedly expressed by the people of Outer Mongolia for their independence, the Chinese Government declares that after the defeat of Japan should a plebiscite of the Outer Mongolian people confirm this desire, the Chinese Government will recognize the independence of Outer Mongolia with the existing boundary as its boundary.

The above declaration will become binding upon the ratification of the Treaty of Friendship and Alliance between the Republic of China and the U.S.S.R. signed on August 14, 1945.

I avail myself of this opportunity to offer to Your Excellency the assurance of my highest consideration.

(Signature) WANG SHIH-CHIEH

August 14, 1945.

YOUR EXCELLENCY:

I have the honour to acknowledge receipt of Your Excellency's Note reading as follows:

[Here follows the text of the above note from Wang Shih-chieh.]

The Soviet Government has duly taken note of the above communication of the Government of the Chinese Republic and hereby expresses its satisfaction therewith, and it further states that the Soviet Government will respect the political independence and territorial integrity of the People's Republic of Mongolia (Outer Mongolia).

I avail myself of this opportunity to offer to Your Excellency the assurance of my highest consideration.

(Signature) V. M. MOLOTOV

AGREEMENT CONCERNING DAIREN

In view of a Treaty of Friendship and Alliance having been concluded between the Republic of China and the U.S.S.R. and of the pledge by the latter that it will respect Chinese sovereignty in the control of all of Manchuria as an integral part of China; and with the object of ensuring that the U.S.S.R.'s interest in Dairen as a port of entry and exit for its goods shall be safeguarded, the Republic of China agrees:

1. To declare Dairen a free port open to the commerce and shipping of all nations.

2. The Chinese Government agrees to apportion in the mentioned port for lease to U.S.S.R. wharfs and warehouses on the basis of separate agreement.

3. The Administration in Dairen shall belong to China.

The harbor-master and deputy harbor-master will be appointed by the Chinese Eastern Railway and South Manchurian Railway in agreement with the Mayor. The harbor-master shall be a Russian national, and the deputy harbor-master shall be a Chinese national.

4. In peace time Dairen is not included in the sphere of efficacy of the naval base regulations, determined by the Agreement on Port Arthur of August 14, 1945, and shall be subject to the military supervision or control established in this zone only in case of war against Japan.

5. Goods entering the free port from abroad for through transit to Soviet territory on the Chinese Eastern and South Manchurian Railways and goods coming from Soviet territory on the said railways into the free port for export shall be free from customs duties. Such goods shall be transported in sealed cars.

Goods entering China from the free port shall pay the Chinese import duties, and goods going out of other parts of China into the free port shall pay the Chinese export duties as long as they continue to be collected.

6. The term of this Agreement shall be thirty years and this Agreement shall come into force upon its ratification.

PROTOCOL TO THE AGREEMENT ON DAIREN

1. At the request of the U.S.S.R. the Chinese Government leases to the U.S.S.R. free of charge one half of all port installations and equipment. The term of lease shall be thirty years. The remaining half of port installations and equipment shall be reserved for the use of China.

The expansion or re-equipment of the port shall be made by agreement between China and U.S.S.R.

2. It is agreed that the sections of the Chinese Changchun Railway running from Dairen to Mukden that lie within the region of the Port Arthur naval base, shall not be subject to any military supervision or control established in this region.

AGREEMENT ON PORT ARTHUR

In conformity with and for the implementation of the Treaty of Friendship and Alliance between the Republic of China and the U.S.S.R., the High Contracting Parties have agreed as follows:

Article I

With a view to strengthening the security of China and the U.S.S.R. against further aggression by Japan, the Government of the Republic of China agrees to the joint use by the two countries of Port Arthur as a naval base.

Article II

The precise boundary of the area provided in Article I is described in the Annex and shown in the map (Annex 1).

Article III

The High Contracting Parties agree that Port Arthur, as an exclusive naval base, will be used only by Chinese and Soviet military and commercial vessels.

There shall be established a Sino-Soviet Military Commission to handle the matters of joint use of the above-mentioned naval base. The Commission shall consist of two Chinese and three Soviet representatives. The Chairman of the Commission shall be appointed by the Soviet side and the Vice Chairman shall be appointed by the Chinese side.

Article IV

The Chinese Government entrusts to the Soviet Government the defence of the naval base. The Soviet Government may erect at its own expense such installations as are necessary for the defence of the naval base.

Article V

The Civil Administration of the whole area will be Chinese. The leading posts of the Civil Administration will be appointed by the Chinese Government taking into account Soviet interests in the area.

The leading posts of the civil administration in the city of Port Arthur are appointed and dismissed by the Chinese Government in agreement with the Soviet military command.

The proposals which the Soviet military commander in that area may address to the Chinese civil administration in order to safeguard security and defence will be fulfilled by the said administration. In cases of disagreement, such cases shall be submitted to the Sino-Soviet military commission for consideration and decision.

Article VI

The Government of U.S.S.R. have the right to maintain in region mentioned in Article II, their army, navy and air force and to determine their location.

Article VII

The Government of the U.S.S.R. also undertakes to establish and keep up lighthouses and other installations and signs necessary for the security of navigation of the area.

Article VIII

After the termination of this agreement all the installations and public property installed or constructed by the U.S.S.R. in the area shall revert without compensation to the Chinese Government.

Article IX

The present agreement is concluded for thirty years. It comes into force on the day of its ratification.

In faith whereof the plenipotentiaries of the High Contracting Parties have signed the present agreement and affixed thereto their seals. The present agreement is made in two copies, each in the Russian and Chinese language, both texts being authoritative.

Done in Moscow, August 14, 1945, corresponding to the 14th day of the 8th month of the 34th year of the Chinese Republic.

THE PLENIPOTENTIARY OF
THE PRESIDUM OF
THE SUPREME SOVIET
OF THE U.S.S.R.

THE PLENIPOTENTIARY OF
THE PRESIDENT OF
THE NATIONAL GOVERNMENT OF THE REPUBLIC OF CHINA.

APPENDIX TO "AGREEMENT ON PORT ARTHUR" SIGNED IN MOSCOW ON AUGUST 14, 1945¹

The territory of the area of the naval base provided for by paragraph II of the Agreement on Port Arthur is situated south of the line which begins on the west coast of Liaotung Peninsula—south of Housantaowan—and follows a general easterly direction across Shihe Station and the point of Tsoukiachutse to the east coast of the same peninsula, excluding the town of Dalny (Dairen).

All the islands situated in the waters adjoining the west side of the area on Liaotung Peninsula established by the Agreement, and south of the line passing through the points 39°00' North latitude, 120°49' East longitude; 39°20' North latitude, 121°31' East longitude, and beyond in a general northeasterly direction along the axis of the fairway leading to port Pulantien to the initial point on land, are included in the area of the naval base.

All the islands situated within the waters adjoining the eastern part of the area on Liaotung Peninsula and

south of the line passing from the terminal point on land in an easterly direction towards the point 39°20' North latitude, 123°08' East longitude, and farther southeast through the point 39°00' North latitude, 123°16' East longitude, are included in the area. (See attached map,² scale 1:500,000.)

The boundary line of the district will be demarcated on the spot by a mixed Soviet-Chinese Commission. The Commission shall establish the boundary posts and, when need arises, buoys on the water, compile a detailed description of this line, enter it on a topographical map drawn to the scale of 1:25,000 and the water boundary on a naval map drawn to the scale of 1:300,000.

The time when the Commission shall start its work is subject to special agreement between the parties.

Descriptions of the boundary line of the area and the maps of this line compiled by the above Commission are subject to approval by both Governments.

W. S. V. M.

AGREEMENT REGARDING RELATIONS BETWEEN THE CHINESE ADMINISTRATION AND THE COM- MANDER-IN-CHIEF OF THE SOVIET FORCES AFTER THE ENTRY OF SOVIET TROOPS INTO THE "THREE EASTERN PROVINCES" OF CHINA DURING THE PRESENT JOINT MILITARY OPER- ATIONS AGAINST JAPAN

The President of the National Government of China and the Presidium of the Supreme Council of the Union of Soviet Socialist Republics, desirous that relations between the Chinese Administration and the Commander-in-Chief of the Soviet forces after the entry of Soviet troops into the "Three Eastern Provinces" of China during the present joint military operations against Japan should be governed by the spirit of friendship and alliance existing between the two countries, have agreed on the following:

1. After the Soviet troops enter the "Three Eastern Provinces" of China as a result of military operations, the supreme authority and responsibility in all matters relating to the prosecution of the war will be vested, in the zone of operations for the time required for the operations, in the Commander-in-chief of the Soviet forces.

2. A Chinese National Government representative and staff will be appointed for the recovered territory, whose duties will be:

(a) To establish and direct, in accordance with the laws of China, an administration for the territory cleared of the enemy.

(b) To establish the cooperation between the Chinese armed forces, both regular and irregular, and the Soviet forces in recovered territory.

(c) To ensure the active cooperation of the Chinese administration with the Commander-in-chief of the Soviet forces and, specifically, to give the local authorities directions to this effect, being guided by the requirements and wishes of the Commander-in-chief of the Soviet forces.

¹ As printed in the *Moscow News* of Aug. 29, 1945.

² Reproduced on pages 202 and 203.

3. To ensure contact between the Commander-in-chief of the Soviet forces and the Chinese National Government representative a Chinese military mission will be appointed to the Commander-in-chief of the Soviet forces.

4. In the zones under the supreme authority of the Commander-in-chief of the Soviet forces, the Chinese National Government administration for the recovered territory will maintain contact with the Commander-in-chief of the Soviet forces through the Chinese National Government representative.

5. As soon as any part of the liberated territory ceases to be a zone of immediate military operations, the Chinese National Government will assume full authority in the direction of public affairs and will render the Commander-in-chief of the Soviet forces every assistance and support through its civil and military bodies.

6. All persons belonging to the Soviet forces on Chinese territory will be under the jurisdiction of the Commander-in-Chief of the Soviet forces. All Chinese, whether civilian or military, will be under Chinese jurisdiction. This jurisdiction will also extend to the civilian population on Chinese territory even in the case of offences against the Soviet armed forces, with the exception of offences committed in the zone of military operations under the jurisdiction of the Commander-in-chief of the Soviet forces, such cases coming under the jurisdiction of the Commander-in-chief of the Soviet forces. In disputable cases the question will be settled by mutual agreement between the Chinese National Government representative and the Commander-in-chief of the Soviet forces.

7. With regard to currency matters after the entry of Soviet troops into the "Three Eastern Provinces" of China, a separate agreement shall be reached.

8. The present Agreement comes into force immediately upon the ratification of the Treaty of Friendship and Alliance between China and the U.S.S.R. signed this day. The Agreement has been done in two copies, each in the Chinese and Russian languages. Both texts are equally valid.

Date

ON THE AUTHORIZATION
OF THE NATIONAL
GOVERNMENT OF THE
REPUBLIC OF CHINA.

ON THE AUTHORIZATION
OF THE GOVERNMENT
OF THE UNION OF
SOVIET SOCIALIST RE-
PUBLICS.

AGREEMENT BETWEEN THE REPUBLIC OF CHINA AND THE U.S.S.R. CONCERNING THE CHINESE CHANGCHUN RAILWAY.

The President of the Republic of China and the Presidium of the Supreme Council of the U.S.S.R., desiring to strengthen the friendly relations and economic bonds between the two countries on the basis of the full observation of the rights and interests of each other, have agreed as follows:

Article I

After the Japanese armed forces are driven out of the Three Eastern Provinces of China the main trunk line of the Chinese Eastern Railway and the South Manchurian Railway from Manchuli to Suifeng and from Harbin to

Dairen and Port Arthur united into one railway under the name "Chinese Changchun Railway" shall be in joint ownership of the U.S.S.R. and the Republic of China and shall be operated by them jointly.

There shall be joint ownership and operation only of those lands acquired and railway auxiliary lines built by the Chinese Eastern Railway during the time of Russian and joint Sino-Soviet administration and by the South Manchurian Railway during the time of Russian administration and which are designed for direct needs of these railways as well as the subsidiary enterprises built during the said periods and directly serving these railways. All the other railway branches, subsidiary enterprises and lands shall be in the complete ownership of the Chinese Government.

The joint operation of the aforementioned railway shall be undertaken by a single management under Chinese sovereignty and as a purely commercial transportation enterprise.

Article II

The High Contracting parties agree that their joint ownership of the railway shall be in equal shares and shall not be alienable in whole or in part.

Article III

The High Contracting parties agree that for the joint operation of the said railway the Sino-Soviet Company of the Chinese Changchun Railway shall be formed. The Company shall have a Board of Directors to be composed of ten members of whom five shall be appointed by the Chinese Government and five by the Soviet Government. The Board of Directors shall be in Changchun.

Article IV

The Chinese Government shall appoint one of the Chinese Directors as President of the Board of Directors and one as the Assistant President. The Soviet Government shall appoint one of the Soviet Directors as Vice-President of the Board of Directors, and one as the Assistant Vice-President. Seven persons shall constitute a quorum. When questions are decided by the Board, the vote of the President of the Board of Directors shall be counted as two votes.

Questions on which the Board of Directors cannot reach an agreement shall be submitted to the Governments of the Contracting Parties for consideration and settlement in an equitable and friendly spirit.

Article V

The Company shall establish a Board of Auditors which shall be composed of six members of whom three are appointed by the Chinese Government and three appointed by the Soviet Government. The Chairman of the Board of Auditors shall be elected from among the Soviet Auditors, and Vice-Chairman from among the Chinese auditors. When questions are decided by the Board the vote of the Chairman shall be counted as two votes. Five persons shall constitute a quorum.

Article VI

For the administration of current affairs the Board of Directors shall appoint a manager of the Chinese Changchun Railway from among Soviet citizens and one assistant manager from among Chinese citizens.

Article VII

The Board of Auditors shall appoint a General-Comptroller from among Chinese citizens, and an assistant General-Comptroller from among Soviet citizens.

Article VIII

The Chiefs and Assistant Chiefs of the various departments, Chiefs of sections, station masters at important stations of the railway shall be appointed by the Board of Directors. The Manager of the Railway has right to recommend candidates for the above-mentioned posts. Individual members of the Board of Directors may also recommend such candidates in agreement with the Manager. If the Chief of a department is a national of China, the Assistant Chief shall be a national of the Soviet Union, and vice versa. The appointment of the Chiefs and assistant chiefs of departments and Chiefs of sections and station masters shall be made in accordance with the principle of equal representation between the nationals of China and nationals of the Soviet Union.

Article IX

The Chinese Government will bear the responsibility for the protection of the said Railway.

The Chinese Government will also organize and supervise the railway guards who shall protect the railway buildings, installations and other properties and freight from destruction, loss and robbery, and shall maintain the normal order on the railway. As regards the duties of the police in execution of this Article, they will be determined by the Chinese Government in consultation with the Soviet Government.

Article X

Only during the time war against Japan the railway may be used for the transportation of Soviet troops. The Soviet Government has the right to transport by the above-mentioned railway for transit purpose military goods in sealed cars without customs inspection. The guarding of such military goods shall be undertaken by the railroad police and the Soviet Union shall not send any armed escort.

Article XI

Goods for through transit and transported by the Chinese Changchun Railway from Manchuli to Suifenho or vice versa and also from Soviet territory to the ports of Dairen and Port Arthur or vice versa shall be free from Chinese Customs duties or any other taxes and dues, but on entering Chinese territory such goods shall be subject to Chinese Customs inspection and verification.

Article XII

The Chinese Government shall ensure, on the basis

of a separate agreement, that the supply of coal for the operation of the railway will be fully secured.

Article XIII

The railway shall pay taxes to the Government of the Republic of China the same as are paid by the Chinese state railways.

Article XIV

Both Contracting Parties agree to provide the Board of Directors of the Chinese Changchun Railway with working capital the amount of which will be determined by the Statute of the Railway.

Profits and losses in exploitation of the railway shall be equally divided between the Parties.

Article XV

For the working out in Chungking of the Statutes of joint operation of the railway the High Contracting Parties undertake within one month of the signing of the present Agreement, to appoint their representatives—three representatives from each Party. The Statute shall be worked out within two months and reported to the two Governments for their approval.

Article XVI

The determination, in accordance with the provisions in Article I, of the properties to be included in the joint ownership and operations of the railway by China and U.S.S.R. shall be made by a Commission to be composed of three representatives each of the two Governments. The Commission shall be constituted in Chungking within one month after the signing of the present Agreement and shall terminate its work within three months after the joint operation of the railway shall have begun.

The decision of the Commission shall be reported to the two Governments for their approval.

Article XVII

The term of this present Agreement shall be thirty years. After the expiration of the term of the present Agreement, the Chinese Changchun Railway with all its properties shall be transferred without compensation to the ownership of the Republic of China.

Article XVIII

The present Agreement shall come into force from the date of its ratification.

Done in Moscow, August 14th, 1945, corresponding to the 14th day of the 8th month of the 34th year of the Chinese Republic, in two copies, each in the Russian and Chinese languages, both texts being equally authoritative.

THE PLENIPOTENTIARY OF
THE PRESIDUM OF
THE SUPREME SOVIET
OF THE U.S.S.R.

THE PLENIPOTENTIARY OF
THE PRESIDENT OF
THE NATIONAL GOVERNMENT OF THE REPUBLIC OF CHINA.

Foreign Observers at Atomic-Bomb Demonstration

At the Secretary's press and radio news conference on January 29, a correspondent said that on January 28 Mr. Attlee told the Commons that Britain had accepted the United States invitation to send military observers to the Navy's atomic-bomb demonstration and asked whether Canada had also received such an invitation. A correspondent also inquired about the State Department's attitude on additional invitations and asked whether a final Government policy on the matter had been determined. The Secretary said that he understood that a final Government policy on the matter had not been determined by the Joint Chiefs of Staff, but he asserted that it was the Department's attitude and his attitude—which had been approved by the President—that the members of the United Nations Atomic Energy Commission (consisting of 11 members of Security Council plus Canada) should be invited. Asked whether that would include their staffs and experts, Mr. Byrnes said that he had not gone into that. He explained in reply to a second question

that this Government had not up to this time even considered anything about a staff or members to represent the United States on the Commission. Asked whether there was a conflict or some difference in point of view between the State Department and White House on one hand and the Army and Navy on the other, the Secretary said that he did not know of any. He said that for all he knew the Joint Chiefs of Staff might be in entire accord with State Department attitude. The Secretary emphasized that the Department's position does not mean at all that those are the only people who are going to be invited. That is a matter, he explained, that will be determined by the Secretary of War and the Secretary of the Navy after consultation with the Joint Chiefs of Staff and approved by the President. When asked if the State Department was consulted in a decision to continue the manufacture of atomic bombs, the Secretary replied in the negative, explaining that the matter had never been discussed with the Department.

Political Murders in Poland

In answer to a question regarding the allegations that a reign of political murders is taking place in Poland, the Secretary of State said on January 31: In regard to the allegations that a reign of political murders is taking place in Poland, it may be stated that recent reports indicate that a number of murders have taken place, of which in some instances prominent members of political parties have been the victims.

While this Government is fully cognizant of the unsettled conditions which necessarily existed in Poland upon its liberation after almost six years of occupation and realizes the difficulties encountered by the Polish Provisional Government in restoring order under such conditions, nevertheless it is regrettable that the Polish Security Police appear to have been implicated in a number of these cases.

In view of the responsibilities assumed by the United States Government at Yalta and Potsdam, looking to the establishment of a democratic representative government in Poland, this Government must necessarily follow closely Polish political developments. The greatest importance is attached to the fulfilment of Poland's election commitments and the American Ambassador has on several occasions brought to the attention of the Polish Government the fact that the activities of the Security Police hinder the fulfilment of this commitment. I have therefore requested the American Embassy in Warsaw to inform the Polish Government that we are relying on that Government to take the necessary steps to assure the freedom and security which are essential to the successful holding of free elections.

The Charter and the Promotion of Human Rights

Article by ALICE M. McDIARMID

PUBLIC ATTENTION has been concentrated on the evolution and expected operation of the more spectacular features of the Charter of the United Nations, particularly the use of force to maintain peace. In comparison there probably has been little realization of the long and careful work which has gone into other provisions of the Charter or of the way in which they may be expected to work. The promotion of human rights by the Organization is a case in point.

In this article there is no desire to make attributions or to give credit for the final provisions, for ideas come from many sources and the success of the Organization depends in the last analysis on its being a cooperative enterprise. The promotion of human rights, however, affords a striking example of the influence of public opinion on the policy of the United States and of other governments.

The evolution of popular opinion on the importance of human rights is in itself an interesting story. Concern for the observance of the rights of individuals has been part of the humanitarian tradition of the American people and has caused them to sympathize with the oppressed of all lands. But, although Americans were horrified at Nazi excesses, they generally felt quite certain that a Nazi program of systematic persecution and denial of ordinary human rights could never be imposed upon this country and, therefore, could never seriously affect the people of the United States. The outbreak of war in Europe shook this complacency, for it made clear that the Nazis by flouting the humanitarian feeling common to all peoples and by cutting the Germans off from the

outside world had molded a fanatical population that was a menace to the peace and security of all neighboring states and indeed of all states everywhere. The late President Roosevelt was among the first to see this clearly and to point it out in his message to Congress in 1940 when he said:

"Of course, the peoples of the world have the right to choose their own form of government. But we in this Nation still believe that such choice should be predicated on certain freedoms which we think are essential everywhere. We know that we ourselves will never be wholly safe at home unless other governments recognize such freedoms."¹ As the danger became clearer, he set forth the now famous Four Freedoms and led the way toward world-wide realization of their importance. This stage was closed by the recognition by the United Nations in their Declaration of January 1, 1942 "that complete victory over their enemies is essential to decent life, liberty, independence and religious freedom, and to preserve human rights and justice in their own lands as well as in other lands."²

From that time on, those who were interested in human rights, either as officials or as leaders of public opinion, realized that there was a twofold effort to be made—to restore respect for human rights in lands under Nazi domination and to insure the promotion of human rights through international organization. It is the latter which concerns us here.

At first the emphasis was upon the development of an international bill of rights, comparable to our own Bill of Rights but including some of the concepts of social justice which have grown up within the last 50 or 100 years. Abstractly considered, an international bill of rights accepted by all nations, even if not directly enforceable in favor of individuals, seemed the ideal solution. But, when the problems of determining what rights

Mrs. McDiarmid is an Assistant in the Division of International Organization Affairs, Office of Special Political Affairs, Department of State.

¹ H. Doc. 528, 76th Cong., 3d sess.

² BULLETIN of Jan. 3, 1942, p. 3.

were to be regarded as part of the heritage of all men and of making them meaningful in all countries were considered in detail, it became clear that an international bill or declaration of rights would have to be a goal of international cooperation for the promotion of human rights and not the first step. This, for example, was the conclusion of the American Law Institute's committee of lawyers and political scientists, representing most of the principal cultures of the world, who drafted a "Statement of Essential Human Rights".

With realization that there was no easy way to promote the observance of human rights came increased desire to insure that the international organization which was in the making would be able to take steps along the road. The Commission to Study the Organization of Peace, which advocated an international conference to prepare an international bill of rights, urged the establishment of a United Nations Commission on Human Rights linked with other international agencies within the orbit of a general international organization. The group of American and Canadian political scientists and international lawyers who endeavored to state "the international law of the future" declared that the executive council of the international organization "should have power to take cognizance of the prevalence within the territory of any State of conditions which menace international peace and order, and to take such action as it may deem to be necessary for the protection of the interests of the Community of States". Many other organizations and countless individuals called for action by the projected international organization to protect human rights and fundamental freedoms. Among the most active of these were religious groups, whose concern for the dignity of the individual made them proponents of all basic human rights, including of course freedom of religion. Press and radio representatives conducted a campaign for recognition of freedom of information. All contributed to the development of a climate of opinion favorable to some concrete action to embody the objective of respect for human rights in the blueprint of the international organization.

The Department of State followed all these developments with interest, sending observers to sit with some of the groups considering the problem and conferring with representatives who visited the Department. In addition, studies of various aspects of the problem were made by interested divisions and interdivisional committees. A spe-

cial committee made a careful study of the rights generally recognized in national constitutions and of their suitability for incorporation in an international bill of rights. Later, special interdivisional committees considered questions of religious liberty and freedom of information.

During the whole period from 1942 to 1944, while plans for an international organization were under discussion, the division which is now called the Division of International Organization Affairs and several superior officers studied how the international organization could promote respect for and observance of basic human rights. There was little to guide the work, for, while the League of Nations and the International Labor Organization had functions that involved the protection of minorities, the promotion of the rights of native peoples in mandated areas, and the adoption of conventions to improve conditions of labor, neither was based upon recognition of the principle that there were some rights so basic that all people everywhere were entitled to enjoy them. Furthermore, those in charge of developing proposals for the international organization recognized that an organization based on the sovereign equality of peace-loving states would not operate directly to protect human rights. The various policy groups which considered the formulation of the United States proposals for an international organization, therefore, considered various methods by which the organization could promote respect for and observance of human rights. The result of these labors was that the American Delegation went into the Dumbarton Oaks Conversations with a proposal that the General Assembly initiate studies in the field of human rights.

At Dumbarton Oaks the participating governments found themselves in agreement that the promotion of human rights should be included in the Charter of the international organization. The basic reason why an international organization for peace and security should concern itself with human rights was stated very clearly in the Dumbarton Oaks Proposals, which set forth that the organization should promote respect for human rights and fundamental freedoms "With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations".³ From that

³ For text of the Proposals see Department of State publication 2297 and BULLETIN of Oct. 8, 1944, p. 368.

time, it was the expectation of the Department that one of the special commissions under the Economic and Social Council would be a commission on human rights.

In the period between the Dumbarton Oaks Conversations and the United Nations Conference on International Organization at San Francisco, the private organizations and individuals interested in the protection of human rights redoubled their efforts in order to insure that the Charter would fulfil and amplify the commitment in the Dumbarton Oaks Proposals. Many governments also expressed their desire to see the Proposals strengthened in the field of human rights.

All these influences reacted upon one another in the first days of the San Francisco conference. The consultants to the American Delegation appointed by national groups at the invitation of the Department of State gave impetus to the movement. On May 2 a large number of them signed a letter urging the American Delegation to sponsor amendments (1) mentioning the promotion of respect for human rights and fundamental freedoms among the purposes of the Organization; (2) including respect for human rights among the principles of the Organization; (3) incorporating the development of human rights among the functions of the General Assembly; and (4) insuring the establishment of a commission on human rights.

On May 5 the four sponsoring powers proposed amendments that met the spirit of these suggestions. These amendments, with minor drafting changes, were incorporated in the Charter, for they satisfied, in general, the desires of other delegations. In the final text of the Charter the phrase "human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion" occurs no less than five times.⁴ In addition, the preamble reaffirms the faith of the peoples of the United Nations in fundamental human rights, in the dignity and worth of the human person, and in the equal rights of men and women.

In addition to providing for a commission on human rights the Charter provides that the General Assembly shall initiate studies and make recommendations for the purpose of "assisting in the realization of human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion" and that the Economic

and Social Council "may make recommendations for the purpose of promoting respect for, and observance of, human rights and fundamental freedoms for all." It declares also that promoting respect for human rights is a purpose of the Organization and a responsibility of the General Assembly and, under its authority, of the Economic and Social Council.

Former Secretary of State Edward R. Stettinius, Jr., summed up the steps taken at the United Nations Conference when he said on May 15:⁵ "The provisions proposed for the Charter will not, of course, assure by themselves the realization of human rights and fundamental freedoms for all people. The provisions are not made enforceable by any international machinery. The responsibility rests with the member governments to carry them out. We can here make only a beginning, but I believe it is a good and substantial beginning. . . . The United States Government will work actively and tirelessly, both for its own people, and—through the international Organization—for peoples generally, toward the protection and promotion of these rights and freedoms. We must be eternally vigilant against assaults upon them. We must also act affirmatively to enlarge the scope of their protection and to nourish their growth. As long as rights and freedoms are denied to some, the rights and freedoms of all are endangered. Everything possible must be done to bring to effective life not only the commission on human rights, but the other vital agencies and functions of the Economic and Social Council."

In this spirit, the United States and the other nations represented on the Executive Committee of the Preparatory Commission of the United Nations at London labored to prepare recommendations for the consideration of the Preparatory Commission itself and eventually of the General Assembly of the United Nations. The Executive Committee not only recommended the establishment of a Commission on Human Rights, which in any case is mandatory under the Charter, but also recommended that the work of the Commission be directed toward the following subjects:

1. formulation of an international bill of rights
2. formulation of recommendations for an international declaration or convention on such matters as civil liberties, status of women, freedom of information

⁴ For text of the Charter see Department of State publication 2353 and BULLETIN of June 24, 1945, p. 1119.

⁵ BULLETIN of May 20, 1945, p. 928.

Interaction of Migration Policies And World Economy

By GEORGE L. WARREN

UNFORTUNATELY, the field of international migration has not attracted the attention of research bodies in a manner commensurate with its importance in the international scene. Research in the field of population changes has been directed to the movement from rural to urban areas and to the increase or decrease of populations in given countries resulting from the changing rates of births and deaths and the losses from wars. The findings in the latter field were particularly helpful during the war as a basis for estimates of relief needs in liberated areas on the part of government agencies and UNRRA. Statistics of emigration and immigration were compiled by the International Labor Office during the early thirties, but these materials, to my knowledge, have never been studied with a view to the discovery of clues to the part which migration or the absence of migration played in the period between World War I and World War II. Furthermore, the policies of countries of potential immigration have not yet been formulated with respect to post-war immigration. Generally speaking pre-war immigration legislation remains in force in most countries. It may also be said that special immigration legislation or rather administrative provisions adopted during the war for security reasons are no longer in effect in most immigration countries. The trend of thinking on the subject appears to be toward selective immigration with interest focused on those immigrants possessing the particular professional, technical, or agricultural skills required to balance the internal economy of the country concerned. It appears unlikely that immigration policies will become clarified until the level of economic activity in the post-war world is more clearly indicated. A high level of economic activity with full internal employment of industrial and agri-

cultural workers may facilitate migration movement. Correspondingly, a low level of economic activity will tend to restrict the movement of immigrants. Apart from economic considerations the political and cultural factors pertaining to particular groups of potential immigrants will prove an important factor in the determination of policies. Countries of immigration tend to avoid the introduction into their territories of Old World political and cultural attitudes which may survive to retard early assimilation to the culture of the adopted country.

We are now confronted with the practical political, economic, cultural, and demographic problems of the uprooted populations of Europe and the Far East which have emerged from World War II.¹ The relation of these problems to the war as cause or effect remains to be determined. It is pertinent to note at the moment that questions of overpopulation and living space were instruments of the propaganda used by the Axis powers in their bid for world supremacy.

The inevitable upsurge of nationalism resulting from the war may tend to redistribute populations on political and demographic lines without adequate consideration for the cultural and economic factors which will need to be taken into account in the building of a lasting peace.

My contribution to the discussion this morning will consist primarily of a review of the major movements which have taken place prior to and during the war—an interpretation and knitting together, if you will, of some of the headlines on

The above address was delivered at Radcliffe College in Cambridge, Mass., on Jan. 31 and released to the press on the same date. Mr. Warren is adviser on refugees and displaced persons in the Office of the Assistant Secretary for Economic Affairs, Department of State.

¹ See article on "First Inter-American Demographic Congress" in BULLETIN of Jan 20, 1946, p. 66.

the subject that have captured your attention: The flight of Jewish refugees from central Europe, the evacuation of women and children from bombed areas, the drafting of slave labor into Germany, the repatriation of 5,500,000 United Nations nationals from Germany by the Allied armies last summer, the comparable repatriations which are now taking place in the Far East, and the present flow of *Volksdeutsche* from the east of Europe to the areas of Germany now occupied by the British, French, United States, and Soviet forces.

When Judge Michael Hansson closed the Nansen Office for Refugees in December 1938, he reported approximately 600,000 persons displaced by the last war still living in uncertain civil status. They had not acquired rights of permanent residence, a nationality, or the security attached to these privileges and obligations. Already in 1933 on the assumption of power in Germany by the Nazis, the dispersal of Jews and others who could not accept the Nazi political philosophy was under way to add additional thousands of refugees during a period of world-wide economic depression.

By 1939 when Germany marched into Poland, over 400,000 of the 1,000,000 racial, religious, and political refugees eventually to be affected in central Europe had left Germany, Austria, and the Sudetenland, some to find homes in the Western Hemisphere, others in Palestine, and still others to remain in western Europe awaiting opportunities for permanent emigration overseas.¹ Many of these latter were trapped when the German armies occupied western Europe and finally shared the fate of their fellow victims in the concentration camps in Germany and Poland.

From 1939 to 1941 Germany in pursuit of her theory of racial purism transferred to the Reich and to the area of western Poland, incorporated into the Reich, over 600,000 *Volksdeutsche* formerly resident in the Baltic States, eastern Europe, and the south Tirol.

The invasion of Poland dispersed over 1,500,000 people eastward into the Soviet Union and south-eastward into the Balkan States. Some 35,000 of these Polish refugees trekked eventually to Tehran and are now housed in camps in Iran, India, East Africa, and Mexico awaiting repatriation to Poland.

¹ For articles on displaced persons in Europe and Japan, see BULLETIN of Mar. 23, 1945, p. 491, and Oct. 7, 1945, p. 530.

Norway experienced two displacements of population, each in excess of 300,000 persons, the first in connection with the original occupation of the country and the second as the Nazi army retreated before the Soviet forces from northern Norway in the late months of 1944. In midwinter the population of northern Norway was ruthlessly evacuated and their homes, farms, and cattle destroyed in wanton waste as the final act of a defeated army.

The movement of 3,500,000 civilians from the Netherlands, Belgium, and northern France southward in July 1940 was an example of civilian flight from immediate military action. After the armistice most of these returned soon to their homes to take up life again as occupied subjects. However, such movements inevitably leave behind numbers who remain, and this one proved to be no exception. The residue of internal displacement in France resulting from the German and later the Allied invasions probably approximated 200,000 to 300,000 persons. Many of these displaced persons await the provision of transportation and housing to return to their native cities and villages with the consequent delays in the resumption of the normal economic life of those communities. Note should also be taken in this connection of the residue of the Spanish refugee movement into France in early 1939, numbering an estimated 30,000.

The German advance into Yugoslavia and Greece did not result in displacements comparable in numbers to those in Poland and France. However, some 20,000 Greeks were forced to flee to the Near East and Africa, and during the later course of the war over 37,000 Yugoslavs escaped to Italy and were eventually cared for in camps administered by UNRRA in the neighborhood of Cairo. Of these groups some 25,000 Yugoslavs and a majority of the Greeks have already been repatriated.

No reliable estimates have appeared with respect to the wide-spread dislocation of population resulting from the German invasion of the Soviet Union in June 1941. This exodus eastward was probably more extensive than any movement of the war in Europe. A suggestion of the several millions of persons involved develops from the fact that over 2,000,000 Soviet displaced persons were found in western Germany among the slave laborers released from custody by the Allied armies.

The German occupation of Hungary, Rumania, and Bulgaria in 1944 resulted in the extension to those countries of the pattern of Nazi persecution of the Jews. Between March and October 1944 over 800,000 Hungarian Jews and those of other nationalities who had fled to Hungary during the war were deported either to slave labor in Germany and Austria or to the concentration and extermination camps in Poland. The techniques of expropriation, herding in ghettos, and deportations in boxcars to unknown destinations, developed in Poland and later in western Europe, were applied in Hungary with a degree of speed and efficiency that rivaled all previous efforts of the Nazis directed against the Jews.

Germany's ever increasing need for manpower during the war resulted in an eventual draft into the Reich of 8,500,000 United Nations nationals from the occupied countries of Europe. Included in this total were some 2,000,000 prisoners of war. The status of a majority of these prisoners was changed by various devices to that of forced laborers. In the first years of the war the different national groups were treated with varying degrees of severity in employment, but toward the end of the war all were forced to work abnormally long hours, with inadequate food, under conditions which resulted in death for many thousands.

Counted among the 8,500,000 laborers were 2,000,000 French and equal numbers of Poles and Russians. Over 800,000 laborers were drawn from Italy, 500,000 each from Belgium and the Netherlands, approximately 300,000 from Yugoslavia, and 250,000 from the three Baltic States.

As the Allied and Soviet armies advanced into Germany, these slave laborers were released from custody and freed to trek homeward as best they could. In the absence of transportation and shelter they presented serious problems of care for the armies, intent solely on rapid advance into Germany. Many thousands reached their homes in western Europe on foot. After the collapse of the German army, however, the Allied and Soviet armies with the same drive and skill which characterized their military effort immediately undertook the task of repatriating these millions of desperate human beings. Within four months in the summer and fall of 1945 over 5,500,000 were returned to their home countries from western Germany and Austria. There are 1,250,000 still cared for in displaced-persons centers awaiting repatriation. Practically all the western Europeans, So-

viet nationals, and Italians have been returned. The Poles constitute the largest national group remaining, their repatriation having been delayed by the large movement of Russians eastward and the lack of adequate reception facilities in Poland last summer.

Repatriation will be resumed and probably completed in the spring of 1946. Only then will it be possible to determine the numbers of the non-repatriables who will be unable or unwilling to return to their countries of origin. These will present a problem for international action. The United Nations Relief and Rehabilitation Administration is assisting the military in the operation of displaced-persons centers in Germany, Austria, and Italy, and the Intergovernmental Committee on Refugees has before it the longer-term problem of finding homes for those who will eventually prove non-repatriable. International organization for the care of these groups is currently under discussion in committees of the United Nations now in session in London. A British proposal that the Economic and Social Council be asked to study the existing international machinery for the care of refugees and displaced persons has the support of the United States Delegation. It is expected that the Economic and Social Council will determine the efficacy of present efforts in this direction and make recommendations as to the manner in which these efforts should be related to the United Nations.

The Anglo-American Committee of Inquiry recently appointed to study the problem of displaced Jews is now conducting hearings in London and will soon proceed to Germany and later to Palestine. Its recommendations on this important segment of the problem of non-repatriables will be made to the British and United States Governments in April.

Experience with the problem of permanently uprooted groups indicates that the task of finding satisfactory solutions is not a simple one. It may be expected that a proportion of those now remaining in the camps in Germany, Austria, and Italy will find homes with relatives and friends in other countries. To facilitate this process communications will need to be reestablished with Germany, and shipping and travel facilities will need to be restored. For the remainder no single solution will prove possible and no practical program has yet been developed. Much will depend, as I indicated earlier, on the revival of economic

activity throughout the world and the level of that activity.

The displacement of Germans during and since the war has been substantial. Relief workers have estimated that over 21,000,000 Germans were dispersed within Germany at the end of the war. These included those evacuated from bombed areas, Germans returned from the formerly occupied countries, whose flight in advance of the retreating German armies was precipitate, and those displaced by the dispersal of German industry. In recent months the flow of racial Germans from eastern European countries has been gaining momentum. It is expected that between 6,500,000 and 8,000,000 Germans will return to Germany during the first six months of 1946.

In the Far East the displacement of civilian populations has been comparable in numbers to that in Europe. In China no reliable estimate of the movement westward from the coast has become available. A total in excess of 20,000,000 is considered conservative. The China Overseas Com-

mission, charged with the return of Chinese to their pre-war homes in overseas countries, has registered 184,000 Chinese awaiting repatriation in China.

The internal displacement of all nationalities in Japan has been in excess of 12,000,000. Included in this figure are 2,000,000 Korean laborers now being repatriated to Korea. The repatriation of 6,500,000 Japanese civilians from China, Manchuria, Korea, Formosa, the former Japanese Mandated Islands, and other areas in the East is just beginning to get under way.

No claim is advanced as to the accuracy of the figures presented in this review of the displacements of populations precipitated by the wars in Europe and the Far East. They have been gathered from many sources and are subject to correction as further information becomes available. They are presented for consideration without observations as to the implications for us in the task ahead of building a world in which this sordid record may not be repeated.

U. S.—U. K. FINANCIAL AGREEMENT—Continued from page 184.

penditures abroad during the war. In the Financial Agreement the British Government has undertaken to adjust and settle these obligations out of resources other than the American credit and has outlined its intentions with respect to their settlement. Our concern in this connection is two-fold. In the first place we want other countries which are in a position to do so to grant assistance to the United Kingdom within their means. Those which hold large sterling balances can do so by scaling them down. In the second place we want to be certain that the liquidation of these balances will not discriminate against American trade. The Financial Agreement contains a specific undertaking by the Government of the United Kingdom that no such discrimination shall result from these settlements.

The Financial Agreement also makes it possible for the United Kingdom to give wholehearted support to the Proposals for Expansion of World Trade and Employment which the United States has recently put forward as a basis for international discussions by the United Nations. In the Joint Statement on Commercial Policy published at the same time as the Financial Agreement, the

United Kingdom has undertaken to support these Proposals and to use its best endeavors in cooperation with the United States to bring to a successful conclusion international discussions based upon them.

The implementation of the Financial Agreement will be a great contribution to the establishment of a permanent state of peace and prosperity. We are all aware of the dangers inherent in unchecked economic rivalry and economic warfare. These dangers can be eliminated by the firm resolution of this nation and the United Kingdom to carry forward the work which has been so well begun.

The Financial Agreement transmitted herewith means that instead of economic controversy between the two countries, the wise rules of the Bretton Woods Agreements will be fully effective much sooner than we believed possible when the Congress enacted the Bretton Woods Agreements Act. I urge that Congress act on the Financial Agreement promptly.

HARRY S. TRUMAN

THE WHITE HOUSE
January 30, 1946

Protest by the Department of State On AP and UP Action

STATEMENT BY ASSISTANT SECRETARY BENTON

The action of the United Press yesterday, however regrettable, was not an unexpected sequel to the action of the Associated Press on January 16, in view of the competitive jockeying for sales position between the two organizations.

As the Government's representative, I have no choice but to protest as vigorously as I can. My objections can be summarized by three points:

First: I object to the dog-in-the-manger tactics. I have asked the Associated Press and the United Press to take responsibility themselves, either individually or cooperatively with each other and the International News Service, for the preparation of the voice broadcasting to other countries of the spot news about the United States. The three agencies cooperated in supplying such news during the early days of our domestic broadcasting. The AP and UP now refuse to take responsibility. Their attitude is, "We won't do the job ourselves and we won't let you do it on behalf of the people of the United States".

Second: The AP and UP are willing to sell their news to foreign agencies who will use it in short-wave broadcasting but are not willing to supply the same service to their own Government. They provide their news to the Russian Government agency, Tass, to the British Broadcasting Corporation, to Radio Rome, the Canadian Broadcasting Corporation—or, in fact, to any other customer except their own Government. Thus the listener in Germany or Bulgaria or China can listen to spot news about America, as furnished by AP and UP when selected and relayed through foreign agencies, but cannot listen to it directly from "The Voice of America".

Third: What they say is not what they mean. The real issue is not the "fear of propaganda" which they claim. If the issue were "fear of propaganda" the AP and UP would not have refused our request to take responsibility for the broadcasting of the spot news. If the objection were "fear of propaganda", Mr. McLean, the president

of the Associated Press, would not have ignored my suggestion to appoint observers, drawn from the Society of Newspaper Editors, to report on the use the Government makes of the news.

If it were propaganda which the Government broadcasts, I would not have asked Mr. McLean to nominate members of his own board of directors to come to Washington with power to act, or at the very least with authority to study and report our activities and aims to the AP board of directors. I so telegraphed Mr. McLean last Thursday. To this suggestion also he has not replied.

The difference between my views and Mr. McLean's has been reduced to an extremely narrow field. In a statement he sent me dealing with the State Department's overseas information program, which he prepared for delivery at the North Carolina Press Association dinner last Friday, Mr. McLean said: "The whole information program, consisting of nine points, includes exchange of persons engaged in intellectual activities; the maintenance of libraries of information abroad; the distribution to diplomatic missions of texts of official announcements; documentary material, biographical sketches, and information about life in America; photographs and films for non-commercial use; publication of the magazine *America* for distribution in Russia; documentary films for non-commercial showing to foreign audiences; the development of small staffs in our missions in 62 countries to provide tactful, well-informed, and capable personnel to carry out the program; and finally the operation, during 1947 at least, of short-wave broadcasting covering virtually the whole world."

"Almost the whole program has received generous and merited approval and support", continued Mr. McLean, "as have also efforts to advance the free exchange of news and information

The above statement was made on Jan. 28 and released to the press on the same date. For other statements by Mr. Benton on the AP action, see BULLETIN of Jan. 27, 1946, p. 92.

through normal channels. It is only in the field of news broadcasting by the Government that the program has been seriously questioned."

I believe I have demonstrated that this one objection does not in fact spring from "fear of propaganda". Further no one who has studied the short-wave voice broadcasts feels in actual fact they are competitive to the sale abroad of the service of the AP, UP, and INS. Mr. McLean's objection stems primarily from the competitive rivalries between the wire services themselves, both here and abroad.

The reputation of our three great wire services abroad is a priceless national asset. The fact they have maintained their independence of Government influence is a fact in which all Americans can take pride.

The idea that the Government, by using their news service, as one more customer, would influence their news, or actually affect their objectivity, is manifestly absurd. I am as confident that Congress would not permit it and that they themselves would not stand for it as I am that the State Department would never attempt it.

Charge of U.S. Sale of Arms to Spain Denied

The Department of State announced to the press on January 29 that it has received numerous inquiries as a result of the statement made by Walter Winchell over the American Broadcasting Company network on January 20. Mr. Winchell is quoted as saying:

"The following revelation, which I believe to be true, is the most shocking I have ever reported. The source is, of course, the foreign underground. Two big American ships believed to have sailed from Italy just docked at Barcelona, Spain. These American ships were crowded with American arms, mainly machine-guns; they were allegedly sold to the Franco government of Spain—not by Argentina, not by the Japanese—they were sold, I am ashamed to state, by authorities of the United States of America; playing with matches to get your boy killed in the third world war. In the name of 139 million Americans I demand a Federal investigation of that charge."

The Department has carefully investigated the

charge and has received from Barcelona, Rome, and Caserta categorical denials. A search of the records at Caserta indicates: (1) that no sale of arms to Spain has been authorized; (2) that no transportation of arms to Spain has been authorized; (3) during hostilities no visits were made from Italy to Spain by War Shipping Administration merchant vessels; and (4) a search of the records since V-E day shows that no United States vessel carried shipments of arms to Spain from Italy or elsewhere.

Reports from Rome state that the Foreign Liquidation Commission representative there has sold no such material to the Spanish Government and knows nothing about any alleged shipment. The Embassy at Rome checked other sources and found no information on this matter which would substantiate Mr. Winchell's charges.

The Consulate at Barcelona reports that the last American ship to call at Barcelona was the *Richmond P. Hobson*. It touched at Barcelona on January 5 but discharged no cargo.

The only shipment of arms and ammunition to Spain authorized by the United States Government during the period 1939 to the present comprised one rifle and 200 cartridges which were sold to a private individual.

Death of Irene B. Leach

STATEMENT BY THE SECRETARY OF STATE

[Released to the press February 1]

I was deeply grieved to hear of the death this morning of Irene B. Leach, for nearly 24 years a devoted member of our staff. Her loss will be keenly felt by her colleagues here and especially by those who worked with her on the Department's publications.

Mrs. Leach is survived by her husband, Thomas Leach, of 1315 Belmont Street NW, a son, Robert Frei, United States Army, her father, and two brothers.

Mrs. Leach as Chief of the Printing and Binding Section in the Division of Research and Publication contributed faithfully to the development and success of the Department's publications program and performed particularly outstanding services to the BULLETIN since its inception.

International Organizations and Conferences

Calendar of Meetings

The United Nations:		
General Assembly	London	January 10 (continuing in session)
Security Council	London	January 17 (continuing in session)
Civil Aviation Conference	Bermuda	January 15 (continuing in session)
Council of Foreign Ministers: Meeting of Deputies	London	January 18 (continuing in session)
International Labor Organization:		
Conference of Delegates on Constitutional Questions	London	January 21 (continuing in session)
International Developments Works Committee	Montreal	January 28 (continuing in session)
International Technical Committee of Aerial Legal Experts (CITEJA): 14th Session	Paris	January 22 (continuing in session)
Far Eastern Commission	En route to Washington	Session closed in Tokyo on February 1
International Cotton Study Group: Subcommittee of the		
International Advisory Committee	Washington	February 4
North American Regional Broadcasting Engineering		
Conference	Washington	February 4
Council of the United Maritime Authority	London	February 4
International Sugar Council	London	February 5
West Indian Conference	St. Thomas, Virgin Islands (U. S.)	February 21
Extraordinary Meeting of the Directors of the International Meteorological Services (IMO)		
London		February 25-March 2
Regional Air Navigation Conference	Dublin	March 4
International Monetary Fund and the International Bank for Reconstruction and Development: Boards of Governors		
Wilmington Island, Ga.		March 8
North American Wildlife Conference	New York	March 11-12

Activities and Developments

Bretton Woods Agreements. The Department of State released to the press on January 28 an announcement that in accordance with the terms of the Bretton Woods agreements, which have been brought into force by the necessary number of signatures, the Government of the United States has issued invitations to the states members of the International Monetary Fund and the International Bank for Reconstruction and Development to attend the first meetings of the Boards of Governors. The meetings will be held at Wilmington Island, near Savannah, Ga., on March 8, 1946, for the purpose of establishing the two institutions. The following states are members of the Fund and of the Bank:

Belgium	Colombia ¹
Bolivia	Costa Rica
Brazil	Cuba
Canada	Czechoslovakia
Chile	Dominican Republic
China	Ecuador

Egypt	Netherlands
Ethiopia	Norway
France	Paraguay
Greece	Peru
Guatemala	Philippine Commonwealth
Honduras	Poland
Iceland	Union of South Africa
India	United Kingdom
Iran	United States of America
Iraq	Uruguay
Luxembourg	Yugoslavia
Mexico	

The following countries have been invited to have observers in attendance at these meetings.

Australia	Nicaragua
El Salvador	Panama
Denmark	Union of Soviet Socialist Republics
Haiti	Venezuela
Liberia	
New Zealand	

The dates in the Calendar are as of Feb. 3.

¹ Colombia is a member of the Fund but is not yet a member of the Bank.

The Record of the Week

British Commonwealth Occupation Force in Japan

SUMMARY OF AGREEMENT BETWEEN U. S. AND AUSTRALIA

1. As a result of discussion between members of the British Commonwealth, proposals for a joint British Commonwealth Force to participate in the occupation of Japan were agreed upon and conveyed to the United States Government by the Australian Government, acting on behalf of the British Commonwealth Governments concerned.

2. Following recent representations in Washington by the Australian Minister for External Affairs, Dr. H. V. Evatt, the United States Government has now formally accepted the participation of British Commonwealth forces in the occupation of Japan. Arrangements are now well advanced for the force to proceed on the following basis.

3. The force is drawn from the United Kingdom, Australia, New Zealand and India. The Commander-in-Chief of the Force is Lieutenant General J. Northcott, C. B., M. V. O., of the Australian Military Forces. His headquarters are fully integrated with representatives drawn from each service and from each Commonwealth country contributing to the force. Air Commodore F. M. Bladin, C. B. E., of the Royal Australian Air Force, has been appointed Chief of Staff to Lieutenant General Northcott.

4. The force comprises:—

(a) Force and base troops drawn from each of the contributing countries.

(b) A land component, organised as a corps, consisting of one British Indian division and two independent brigade groups—one each from Australia and New Zealand.

(c) An air component comprising squadrons drawn from the Royal Air Force, the Royal Australian Air Force, the Royal New Zealand Air Force and the Royal Indian Air Force.

5. A squadron of the British Pacific fleet, which includes ships of the Royal Navy, the Royal Australian Navy and the Royal Indian Navy is stationed in Japanese waters under operational control of the Admiral commanding the detachment of the United States Fleet.

6. The British Indian division is commanded by Major General D. T. Cowan, C. B., D. S. O., M. C., Indian Army, and includes the Fifth Brigade of the Second British Division and the 268th Indian Infantry Brigade. The Australian Infantry Brigade group includes the 34th Australian Infantry Brigade commanded by Brigadier R. H. Nimmo. The Commander of New Zealand Brigade, which is coming from Italy, is Brigadier K. L. Stewart, C. B. E., L. S. O.

7. The Commander of the air component is Air Vice Marshal C. A. Bouchier, C. B., C. B. E., D. F. C., Royal Air Force. His senior air staff officer is Air Commodore I. D. McLaughlan, D. F. C., Royal Australian Air Force. The air component includes the 81st Australian Fighter Wing of three Mustang Fighter Squadrons; numbers 11 and 17 Spitfire Squadrons, and number 96 Medium Transport Squadron, Royal Air Force; number 4 Spitfire Squadron, Royal Indian Air Force; and number 14 Corsair Squadron, Royal New Zealand Air Force.

8. The British Commonwealth Occupation Force (BCOF) will form part of the occupation forces in Japan under the supreme command of General Douglas MacArthur, Supreme Commander for the Allied Powers (SCAP). He has assigned the land component to the general operational control of the Commanding General, 8th United States Army, who is in military control of the whole area of Japan. The air component has been assigned to the general operational control of the Commanding General, Pacific Air

The above agreement was released simultaneously in Canberra, Wellington, New Delhi, London, and Tokyo on Jan. 31.

Command, United States Army (PAC, USA). Lieutenant General Northcott, as Commander-in-Chief BCOF, is entirely responsible for the maintenance and administration of the British Commonwealth Occupation Force as a whole. He has direct access to General MacArthur on matters of major policy affecting operational commitments of the force. On policy and administrative matters affecting the force, the Commander-in-Chief is responsible to the British Commonwealth Governments concerned through a British Commonwealth organization set up in Melbourne and known as the "Joint Chiefs of Staff in Australia". Their instructions to the Commander-in-Chief BCOF will be issued by the Australian Chiefs of Staff. The Joint Chiefs of Staff in Australia (JCOSA) comprise the Australian Chiefs of Staff and representatives of Chiefs of Staff in the United Kingdom and New Zealand and of the Commander-in-Chief in India. This organization is fully associated with Australian Joint Service machinery. The Commander-in-Chief BCOF has the right of direct communication with the Joint Chiefs of Staff in Australia on administrative matters affecting the force. On matters of governmental concern affecting the policy and operations of BCOF he will communicate through JCOSA to the Australian Government, which acts as the representative of the other Commonwealth Governments concerned.

9. The BCOF will be initially located in the Hiroshima Prefecture including the cities of Kure and Fukuyama. It will be responsible for the demilitarisation and disposal of Japanese installations and armaments. It will exercise military control of the area but will not be responsible for its military government, which remains the responsibility of United States agencies. The BCOF area will not constitute a national zone. The BCOF may be called upon to conduct military operations outside its normally allocated area. When air support for the land component of the BCOF is required, this will be provided primarily by the BCOF air component. Kure will be the base port for BCOF which will be responsible for the working of the entire port. The Kure Naval Yard will remain under United States Naval control.

10. Provision is being made for the BCOF to be represented in the Tokyo Prefecture by a detachment which probably will be of battalion

strength. This detachment will be drawn in turn from each national component in the force.

11. The British Commonwealth Occupation force may be withdrawn wholly or in part by agreement between the United States Government and the Commonwealth Governments concerned or upon six months' notice by either party. It has been agreed also that progressive reduction in the strength of the force will be made from time to time in conformity with progressive reductions which may be made in the strength of United States occupation forces in Japan.

12. The Australian Services Mission, hitherto located in Tokyo, has been transformed into an advanced echelon of Headquarters BCOF with an addition of officers from other Commonwealth components. For the present it remains in the Tokyo area to facilitate liaison with General MacArthur's headquarters.

13. Details of the move to Japan of the various components of BCOF cannot yet be announced but detailed planning is now in progress on the following basis:—

(a) Naval port parties for the working of Kure port to arrive in the first week of February.

(b) Leading elements of the Australian component, including an airfield construction squadron, to arrive in the third week of February.

(c) Leading elements of the British Indian Division and the advanced parties of the British Indian air component to arrive about the first of March.

(d) Leading elements of the New Zealand Brigade, which is moving from Italy, to arrive about March 23.

(End of agreement summary)

(Following portion released in Washington and Tokyo only)

General of the Army Douglas MacArthur, Supreme Commander for the Allied Powers, made the following statement concerning the employment of British Commonwealth Forces in the occupation of Japan:

"The present Occupation Forces in Japan extend the heartiest possible welcome to the British Commonwealth Forces who are about to share with them the arduous and difficult duties which are involved. Their presence will materially broaden the base along international lines of a burden which up to this time has, of necessity, been carried

to a large extent unilaterally by United States Forces and cannot fail to be of over-all beneficial effect. It will enable a diminution in our own strength, and will thereby bring welcome relief to many individuals. The Australian contingent served under my personal command with brilliant honor to itself during the long and arduous campaigns on the road back, and I take a special personal pride in again being associated with it. The reception of the entire force will be of the warmest."

When the exact composition and time of arrival of the British Commonwealth Force are known to General MacArthur he will determine the number and schedule of withdrawal of American troops from his command.

The participation of British Commonwealth forces in the occupation of Japan is in line with the policy made public by the President on September 22 which stated that the "participation of the forces of other nations that have taken a leading part in the war against Japan will be welcomed and expected".

In accordance with this declaration, invitations were extended also to the Governments of China and the Union of Soviet Socialist Republics to send troops to participate in the occupation. The Chinese Government has informed this Government that, while it is willing to provide a contingent of troops, it is not in a position to do so at the present time. The Union of Soviet Socialist Republics has not accepted the invitation to participate.

U.S. Government Takes Serious View of Perón's Charges

[Released to the press February 11]

Instruction transmitted to the American Chargé d'Affaires at Buenos Aires on January 31:

Kluckhohn in front-page article New York Times this morning, Buenos Aires dateline, January 30, quotes Perón as follows:

"The candidate, in an interview with this correspondent, insisted that it was the opposition which was seeking to break up the elections and that the police constantly were picking up arms that had been smuggled across the Plata River. He expressed the firm belief that the United States Embassy was involved in this counter-movement."

You are instructed to go immediately to the Foreign Minister and leave with him an *aide-mémoire* quoting this newspaper account and stating that because of Perón's former official position and his continued identification by public opinion with Argentine Government this Government takes a serious view of his charges against the United States Embassy. The *aide-mémoire* should inquire whether the Argentine Government associates itself with such charges and should state that if it does not this Government would expect the Argentine Government publicly to repudiate them.

McDIARMID—Continued from page 212.

3. protection of minorities
4. prevention of discrimination on grounds of race, sex, language, or religion
5. any matters within the field of human rights considered likely to impair the general welfare or friendly relations among members.

In general, the Commission is to assist the Economic and Social Council to carry out its responsibility under the Charter to promote human rights. The studies and recommendations of the Commission would be designed to "encourage the acceptance of higher standards in this field and help to check and eliminate discrimination and other abuses".

If these recommendations are accepted by the General Assembly in something approaching this present form, the United Nations will be equipped with the machinery to make its powers of report and recommendation contribute to the promotion of human rights.

As matters stand now, in the field of human rights the Charter is an affirmation of faith and a bold experiment. For the first time, it embodies in a general international agreement the principle that there are human rights so basic and so universal that they are not only the heritage of all men and the responsibility of all governments but also the concern of an international organization to preserve peace and security. It is a recognition by a majority of the states of the world that denial of human rights is not a matter of local interest or of humanitarian concern but a potential cause of that scourge of war which the United Nations have banded together to root out of international relations.

Lend-Lease Operations: President's Letter to Congress

[Released to the press by the White House January 31]

To the Congress of the United States of America:

I am transmitting herewith the 21st report of operations under the Lend-Lease Act for the period ending September 30, 1945.

Until VJ-day, lend-lease and reverse lend-lease operated to speed the redeployment of our troops from Europe and to insure the final victory over Japan. This report primarily describes the extent of aid rendered under the Lend-Lease Act prior to the cessation of hostilities. The surrender of Japan signaled the termination of lend-lease as a weapon for victory and prompt steps were taken by this Government to insure a rapid but orderly reduction of lend-lease expenditures and to bring to a close the employment of lend-lease procedures in supplying essential war needs to our allies.

Concurrently, negotiations have begun with many of the lend-lease governments looking toward a final settlement of the lend-lease and reverse lend-lease accounts. At the present time, such lend-lease negotiations have been success-

fully concluded with the United Kingdom, the largest single recipient of lend-lease supplies. The measures taken to wind up and settle the lend-lease program are outlined only briefly in this report but will be described in full in subsequent reports.

The Master Agreements that have been concluded with the various lend-lease governments contain the pledge that the terms and conditions of the lend-lease settlements are to be "such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations." In the process of terminating lend-lease and in carrying on our negotiations for final settlements with the various governments, these principles of Article VII will be before us as a reminder of the goal which this Government must constantly seek.

HARRY S. TRUMAN.

THE WHITE HOUSE,
January 31, 1946.

Panama--U.S. Cooperative Fellowship Program

[Released to the press January 20]

The Department of State announced last July¹ that a Panama-United States Fellowship Program would be undertaken as the result of discussions between the Government of Panama and the Government of the United States. The selection of the fellowship recipients has now been made by a Panama-United States Fellowship and

Scholarship Selection Committee appointed by agreement between the two Governments. The expenses of these fellowships will be shared by the Panamanian and United States Governments. The names of these students, who have been placed at institutions of higher learning in this country by the Institute of International Education, follow:

Name	Field	Institution
Teresina Patiño	Tuberculosis	University of Pennsylvania
Alberto Alemán Calé	Public finance and accounting	University of Southern California
Juan M. Méndez	Juvenile delinquency	Indiana University
Erasmio E. Escobar	Civil service	Syracuse University
Federico A. Velásquez	Organization of vocational schools	Ohio State University
Teodoro E. Méndez	Agricultural extension work	Arkansas Polytechnic College
Guillermo Amaya Barrios	Social security	Practical training with the Social Security Board
Victor Gómez	Organization of vocational schools	Under the auspices of the Inter-American Educational Foundation, Incorporated.

¹ BULLETIN of July 22, 1945, p. 126.

UNRRA Shipments for 1945 to Liberated Areas

The following table, released to the press by UNRRA on January 23, shows shipments to countries receiving UNRRA relief: cumulative through June 30, 1945; June 30, 1945 through December 31, 1945; and cumulative through December 31, 1945:

Supplies Shipped by UNRRA to Liberated Areas

Country of destination	(Gross long tons)		
	Cumulative shipments through June 30, 1945	Shipments June 30 to Dec. 31, 1945	Cumulative shipments through Dec. 31, 1945
Albania.....	10, 100	57, 723	67, 823
Byelorussian S.S.R.		22, 226	22, 226
China.....	9	263, 940	263, 949
Czechoslovakia.....	50, 950	354, 116	405, 066
Dodecanese Islands.....		1, 588	1, 588
Greece.....	709, 024	1, 047, 169	1, 756, 193
Italy.....	73, 851	60, 142	133, 993
Poland.....	66, 579	284, 413	350, 992
Ukrainian S.S.R.....		44, 099	44, 099
Yugoslavia.....	185, 970	784, 143	970, 113
Other UNRRA Operations.....	4, 510	13, 470	17, 980
TOTAL.....	1, 100, 993	2, 933, 029	4, 034, 022

Rubber Allocations for U. S. From the Far East

[Released to the press January 28]

Price negotiations have been concluded whereby the Reconstruction Finance Corporation through its subsidiary, the Rubber Development Corporation, will purchase all natural rubber allocated to the United States by the Combined Raw Materials Board or its successor, the Combined Rubber Committee, from British, Netherland, and French areas in the Far East at a price of 20¼ cents (U.S. currency) a pound for standard top grades, delivered f. o. b. ocean-going steamer at Far Eastern port. This agreement covers the period September 2, 1945 (V-J Day) through June 30, 1946 in the case of the Netherland and French areas and the period September 2, 1945 through March 31, 1946 in the case of the United Kingdom, from whose areas substantial quantities of rubber have already been shipped.

Arthur C. Bunce To Leave for Korea

[Released to the press February 2]

The Department of State announces that Arthur C. Bunce will leave on February 2 for Korea to serve as Economic and Agricultural Adviser to General Hodge, Commanding General of the United States Forces in Korea. He is on leave from his post as Chief Agricultural Economist on the staff of the Board of Governors of the Federal Reserve System.

Mr. Bunce lived in Korea from 1928 to 1934 during which time he was employed by the International Committee of the Y.M.C.A. to work on problems of raising the level of living of the Korean farmers.

Accompanying Mr. Bunce as members of his staff are Henry D. Appenzeller, Ben T. Moore, Gordon B. Strong, Maxwell E. Becker, Robert A. Kinney, Edwin E. Braden, Eugene V. Prostov, John K. Rose, and Thelma Williams, all of the Department of State.

Resignation of Isador Lubin

The President accepted on January 25 the resignation of Isador Lubin as United States Commissioner of Labor Statistics and as Associate United States Representative on the Allied Commission on Reparations, effective January 31.

The Foreign Service

Confirmations

The Senate confirmed on January 31, 1946 the nomination of Vice Admiral Alan G. Kirk to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium and to serve concurrently and without additional compensation as Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Luxembourg.

Consular Offices

The American Consulate at Turin, Italy, was reestablished on January 27, 1946.

PUBLISHED WITH APPROVAL OF DIRECTOR OF BUREAU OF THE BUDGET

U. S. GOVERNMENT PRINTING OFFICE: 1946